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IN THE

Supreme Court of the United States

OCTOBER TERM, 1959.

No. 380

AMERICAN SIGN AND INDICATOR CORPORATION,
Petitioner,

vs.

EDWARD J. SCHULENBURG, EDWARD J. SCHULENBURG, JR., HELEN E. SCHULENBURG AND MARIE V. POTTEBAUM, DOING BUSINESS AS TIME-O-MATIC COMPANY, AND TIME-O-MATIC, INC.,
Respondents.

TIME-O-MATIC, INC.,
Respondent,

vs.

AMERICAN SIGN AND INDICATOR CORPORATION,
Petitioner.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

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NOTE.

The original exhibits of those copies set forth in Appendices C, D, F, G and H were certified to this Court

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PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

To the Honorable Chief Justice and Associate Justices of the Supreme Court of the United States:

Petitioner, American Sign and Indicator Corporation, plaintiff in the first case, appellant below, prays that a Writ of Certiorari issue to review the judgment of the United States Court of Appeals for the Seventh Circuit entered in the above-entitled cases on June 3, 1959.

OPINIONS BELOW.

The opinion of the District Court is reported at 167 Fed. Supp. 20, D. C. E. D. Ill. (1958), Am. App. 226. The opinion of the Court of Appeals for the Seventh Circuit is reported at 267 F. 2d 388, C. C. A. 7 (1959), App. A. this petition, p. 21.

JURISDICTION.

The opinion of the Court of Appeals, which the petitioner here seeks reviewed, is dated June 3, 1959, and its judgment was entered June 3, 1959. The order denying a petition for rehearing was entered July 9, 1959. The jurisdiction of this Court is invoked under 28 U. S. C., Sec. 1254 (1).

QUESTIONS PRESENTED.

1. Is a photostat of a work of art, attached to a copyright application and deposited as an unpublished work (in Class I) in the Library of Congress more than one year prior to the filing date of a patent, a "printed publication" within the meaning of 35 U. S. C. 102(b), and therefore a statutory bar invalidating the patent?

2. Does a "printed publication" of the exterior of a sign showing time in digit form on a single lamp bank with a detached panel showing temperature in digit form so disclose Claim 1 of the patent in suit as to operate as a statutory bar, within the meaning of 35 U. S. C. 102(b) under the decisions of this Court commencing with *Seymour* v. *Osborne*, 11 Wall. 576 (1870)?

3. Is the standard of patentable invention that set up in *Great Atlantic & Pacific Tea Company* v. *Supermarket Equipment Co.*, 340 U. S. 147 (1950), or that of 35 U. S. C. Sec. 103, effective January 1, 1953, or both?

4. Are the equity courts of Illinois unable to grant relief against alleged wrongdoing by one party of a four-year supplier-customer relationship unless a trade secret is involved in the relationship?

CONSTITUTIONAL PROVISIONS, ETC.

The following statutes are involved and are set forth in Appendix B: 35 U. S. C. Sections 101, 102(a), 102(b), 103; and 17 U. S. C., Sections 12 and 212.

STATEMENT OF THE CASE.

These two cases were tried, decided, and appealed as one case. The corporate respondent sued petitioner in Chicago under 28 U. S. C. Sections 2201, 1338 and 1391, to have United States Patent 2,673,976 declared invalid and not infringed, and for unfair competition. Petitioner sued all of the respondents in Danville, Illinois, under 28 U. S. C. Section 1332 (a) (1) for breach of customer-supplier relationship, and under 28 U. S. C. Section 1338(a) and (b) and 35 U. S. C. 271(a), (b) and (c), for infringement of the same patent. The cases were consolidated in Danville. Petitioner filed an Amended Complaint, Am. App. 2, Count I under 28 U. S. C. Section 1332(a) (1), Par. 34, Am. App. 27, charging breach of an express covenant; Pars. 35 and 36, Am. App. 28, charging breach of an implied covenant not to compete arising from the supplier-customer relationship; and Par. 37-40, Am. App. 29, charging acts of unfair competition; Count II under 28 U. S. C. Sections 1338(a) and (b); and 35 U. S. C. 271(a), (b) and (c) charging patent infringement.

The trial judge found the following facts. In 1951, the individual respondents had been selling electrical controls to and solving special control problems for sign makers, including Charles and Luke Williams, who knew of their

two separate units for showing time or temperature on separate banks of lamps, Am. App. 227, 247.

Charles and Luke Williams conceived a sign showing time and temperature in digit form alternately on the same lamp bank, Am. App. 228 and 247. Charles called respondents on May 23, 1951, in Danville, Illinois, from Spokane, Washington and asked if respondents' two controls could be combined to produce the result. Respondents said they could do this and quoted a price, Am. App. 227, 228, 247. The Williams brothers, and later petitioner, called their sign the "Double 'TT' ", Am. App. 229.

In May 1951, the Williams brothers had an artist make a sketch (lost) of a sign. Photostats were made and Williams' attorney attached two photostats to a copyright application, Class I, for an unpublished work which was registered in the United States Copyright Office on July 31, 1951, Def. Ex. A, App. C, this petition, p. 37, Am. App. 236, 249. Another photostat is Pl. Ex. 24, App. D, this petition, p. 39. The respondents did not introduce a copy of the photostats in the Library of Congress so that technically, the case was decided upon a document not in the record. However, it is agreed that Pl. Ex. 24 is the same as the photostats in the Library of Congress.

In September, 1951, in the Camlin Hotel, Seattle, Washington, the respondent Schulenburg, Sr., told the Williams brothers that he would refer all inquiries for the new control to Williams brothers, Finding 22, Am. App. 229, 250-252. In October, 1951, the Williams brothers ordered the controls. Respondents inserted their standard lifter bars under the spring contacts of their time and temperature units, shipped and billed. Williams brothers assembled the separate controls with a single lamp bank built by them and placed the sign in operation on December 27, 1951, Am. App. 230, 252. Williams brothers paid respondents' bill, Pl. Ex. 21, pp. 44-45.

Petitioner was incorporated early in 1952 in the State of Washington, Am. App. 230. In August, 1952, petitioner told respondents that it was giving each lessee or purchaser an exclusive territory, Am. App. 231.

On December 19, 1952, a patent application was filed, claim 1 reading (petitioner has inserted numerals to identify the key elements of the claim):

> "1. A display sign comprising (1) a bank of lamps, a source of current supply, two circuit controlling devices for connecting and disconnecting current supply to said lamps, (2) one control device being time controlled to energize at intervals, appropriate lamps in the bank to display the time, (3) the other control device being temperature controlled to energize at intervals, appropriate lamps in the bank, including lamps that are energized by the first named control device, to display the temperature, each of said control devices comprising (4) spring closed contacts for the lamps used in spelling out its respective display, (5) continuously operable cams positioned to lift the individual contacts to leave the correct combination of contacts closed, and (6) rocker bars beneath each group of spring closed contacts operatable (7) alternately to lift all of one group together, then all of the other group together."

Each of the elements (2) and (3) had been equipped with the elements (4) and (5) for years in respondents' controls. The patent was issued on March 30, 1954, No. 2,673,976.

Findings 30 through 46, Am. App. 254 to 263, find that in 1953, petitioner substituted a relay system in place of lifter bars, which respondents declined to build, and thereafter petitioner bought just the separate time and temperature units from respondents; that I. B. M. introduced a non-infringing control; that respondents insisted that petitioner sell the controls to other sign companies in order to meet I. B. M. competition; that when petitioner refused,

respondents announced their intention to compete; that petitioner threatened to sue; that petitioner notified the trade of its patent; and that there was no agreement between the parties.

Here the facts end. Neither the judge's opinion nor the findings say one word about what respondents did which caused these lawsuits.

The trial judge held that there was no express agreement; Am. App. 235, 254-255, and that the copyright exposed a trade secret, Am. App. 236, and therefore under *Victor Chemical Works* v. *Iliff*, 1921, 299 Ill. 532, 548, no relationship giving rights to parties could arise, Am. App. 238 and 260. On Count I, therefore, he ruled only on Par. 34 of the Amended Complaint. He ignored paragraphs 35-36, which do not charge a trade secret, and the unfair competition paragraphs 37-40. Although evidence was received under these paragraphs, nothing is said about the following in opinion or findings of either court below:

(1) From the fall of 1954 through June of 1955, respondents secretly redesigned their time units and temperature units so that when they entered competition in 1956, all that need be done was insert lifter bars, and they sold these units to petitioner in 1955; (2) In April, 1955 respondents told petitioner that if they brought out their own control, they would not use relays or lifter bars; (3) In January, 1956, the individual respondents organized the corporate respondent; (4) On April 4, 1956, respondent Schulenburg, Sr. wrote petitioner as follows: "Our original arrangement was that we would refer all inquiries over to you where they wanted the time and temperature unit. This was based on the assumption that you had a patent or patents that would control the field,"; (5) In May, 1956, the corporate respondent offered the trade the redesigned time and temperature controls of 1955, but with the lifter bars in them, the very unit covered by the claims in the patent, all as a single package, and further offered

lamp banks; (6) Time-O-Matic, Inc. called its unit the "T 'o T"; (7) Respondent corporation agreed to indemnify a purchaser of its control, even though located in an exclusive territory of petitioner of which respondents had notice before the organization of the respondent corporation; (8) Respondents' control, PX 20, is not described; (9) Petitioner purchased every time and temperature unit to date of breach from respondents; (10) Great commercial success followed.

On Count II, the trial judge held that the copyright registration was a statutory bar to the Williams brothers' idea of showing time and temperature alternately in digit form on a single bank of lamps, elements (1), (2), (3), and (7) Am. App. 240 and that he need only consider whether the elements (4), spring contacts; (5), cams; and (6), lifter bars, could contribute patentability. Since these were all on old Time-O-Matic equipment and each performed the function that it performed before, the claims could not be patentable, Am. App. 240-242. He further said that even if the claims were patentable, respondent Schulenburg, Sr. contributed these elements (4), (5) and (6), and hence the Williams brothers were not the inventors. The trial judge did not mention the patented prior art, but Findings 55, Am. App. 265, held the copyright a statutory bar and Findings 47-54 and 56-59 invalidated the entire combination on the standard of invention set out in *Great Atlantic and Pacific Tea Company* v. *Supermarket Equipment Corporation*, 340 U. S. 147, Am. App. 266. Findings 60 through 64 held that the elements (4), (5) and (6) and the manner of connecting all of the elements is obvious to any person having ordinary skill in the art, the standard of invention of 35 U. S. C., Section 103.

The relationship portion of Count I and Count II were decided on the copyright registration. In the suit brought by corporate respondent, the final decree declared the patent invalid, enjoined petitioner from notifying the trade

of its patent, awarded no damages, and said nothing about infringement. In the suit brought by petitioner, relief under Count I was denied, the patent was held invalid, nothing was said about infringement.

The Court of Appeals affirmed, specifically holding that the copyright registration was a statutory bar to the patent, App. A, this petition, page 32; and that the trial court correctly interpreted Illinois law, App. A this petition, pages 32-33. It also used two standards of patentability, that of 35 U. S. C. Section 103, but relying upon *Otis v. National Tea*, 218 F. 2d 153, 156, 157, which relied principally upon *Great Atlantic and Pacific Tea*, App. A this petition, page 32.

REASONS AND ARGUMENT FOR GRANTING THE WRIT OF CERTIORARI.

REASON 1: This court should decide whether the meaning of "printed publication" in 35 U. S. C., Sec. 102(a) and (b) is to be determined by a rule of public inspection adopted by the Court of Appeals for the Seventh Circuit in this case in interpreting Section 102(b), and by the Court of Appeals for the Sixth Circuit in interpreting that portion of the repealed Patent Act of 1870 which is now Section 102(b), or by a rule of probable dissemination followed by the Court of Customs and Patent Appeals as to Section 102(b), and by the Court of Appeals for the Sixth Circuit as to that portion of the repealed Patent Act of 1870 which is now Section 102(a).

As derived from the cases, the meanings of the two rules are:

> Public Inspection Rule: a document is a "printed publication" irrespective of the number of copies produced or its nature from the date it is deposited in an institution providing for public inspection.*

* The words "public inspection" are used because the Court of Appeals for the Seventh Circuit used them in this case and other courts have used the phrase.

Probable Dissemination Rule: A document is a "printed publication" if by its quantity and nature a probability of public circulation and dissemination is indicated.=

The words "printed publication" are used in Section 102(a) of the Act of 1952 which relates to invention, and Section 102(b) which relates to filing a patent application. The same words appear in Section 4886 of the Patent Act of 1870 and apply to the same subject matter as covered in paragraphs (a) and (b) of Section 102 of the Act of 1952.

Applying the public inspection rule in the instant case, the Court of Appeals for the Seventh Circuit held that a photostat of a work of art, like Pl. Ex. 24, Ex. D this petition, page 39, attached to a copyright registration, App. A this petition, page 37, filed in the Library of Congress more than one year prior to the filing date of a patent was a printed publication within Section 102(b), Am. App. 265. Contrariwise, applying the probable dissemination rule, the Court of Customs and Patent Appeals in *In re Tenney*, 254 F. 2d 618 (1958), held that a microfilm deposited in the Library of Congress was not a printed publication within Section 102(b).

The Court of Appeals for the Sixth Circuit in interpreting Sec. 4886 of the Patent Act of 1870, which is now Section 102(b), in *Permutit Co. v. Widham*, 13 F. 2d 454, 458, Rehearing Denied, 15 F. 2d 20, (1926), held that a German Gebrauchsmuster, which is a typewritten disclosure of an invention open to public inspection in the German Patent Office, is not a printed publication. This

= The words "probable dissemination" are based upon "probability that the subject matter would be known to the American public" and "probability of wide circulation", used by the Court of Customs and Patent Appeals in *In re Tenney*, 254 F. 2d 619 (1958).

is the probable dissemination rule.* In 1940, in interpreting the same words, the same court, in *Hamilton Laboratories* v. *Massengill*, 111 F. 2d 584, 585 (CCA 6, 1940), held that a typewritten college thesis placed in a college library more than two years prior to the filing date of a patent application is a printed publication because it is "available", which is the public inspection rule.**

Thus, the Court of Appeals for the Seventh Circuit disagrees with the Court of Customs and Patent Appeals as to the rule that governs the meaning of "printed publication" in Section 102(b); and the Court of Appeals for the Sixth Circuit applies one rule to what is now Section 102(a) and the other rule to what is now Section 102(b), although the words are identical.

In addition to the confusion arising from a conflict between these courts, a reason impelling this Court's review of the statutory problem lies in the importance for both the inventor and the patent profession of a uniform construction of this term. In determining the validity of a patent, prior printed publications are sought by extensive searches. If a search can be limited to documents irrespective of how produced, which in themselves demonstrate a probability of dissemination, the search can safely be limited to those places such as the Patent Office, the

* Other cases relying on the probability of circulation and dissemination rationale are: *Jockmus* v. *Leviton*, 28 F. 2d 813 (C. C. A. 2, 1928); *Cottier* v. *Stimson*, 28 F. 906 (C. C. D. Oregon, 1884); *Bayer* v. *Rice*, 7 F. 2d 238 (C. A. D. C. 1934); *Fessenden* v. *Wilson*, 48 F. 2d 422; Patent Office decisions: *De Ferranti* v. *Westinghouse*, 1890 C. D. 114; *Parkin and Wright* v. *Gennes*, 1893 C. D. 64; *Ex parte Ulmann*, 1925 D. C. 27; *Ex parte Haller*, 103 P. Q. 332, (P. O. Bd. App. 1953).

** Other cases relying on the public inspection rationale are: *Gullikson* v. *Halberg* v. *Edgerton* v. *Scott*, 75 P. Q. 252 (P. O. Bd. App. 19); *Safety Gas Lighter Co.* v. *Fischer Bros.*, 236 F. 955 (D. C. D. N. J. 1916); *Ex parte Hershberger*, 96 P. Q. 54 (P. O. Bd. App. 1954); *Ex parte Brendlein*, 105 P. Q. 453 (P. O. Bd. App. 1954).

Library of Congress and publishers of printed documents. On the other hand, if the public inspection rule is adopted, there is no practical ending of such a search. A single copy of a thesis in a college or preparatory school library under the public inspection rule can be a bar with the result that a defendant having money can pursue a search to break a patent and find something which would never have benefited the public because it would probably not have become known.

Application of the rule of probable dissemination affects Count II of this case in this way. The Court of Appeals for the Seventh Circuit held that the filing in the Copyright Office opened the photostat to public inspection and that, therefore, the document was a "printed publication" within the meaning of 35 U. S. C., 102(b). Had the court applied the "probable dissemination" test, it would have been obliged to hold that it was not a "printed publication" because neither the three photostats nor the evidence relating to them suggest any probability of public dissemination whatsoever.

Specifically, the patent in suit would not have been invalidated on any one of the three grounds relied upon by the trial judge and the Court of Appeals.

1. The first ground for invalidating the claims is that the seven-element combination therein, namely, elements (1) through (7) of claim 1, *supra* page 3, was not patentable over respondents' pre-existing equipment, Am. App. 241. The trial judge held that the copyright registration was a statutory bar to the combination of elements (1), (2), (3) and (7). Findings 45 and 55, Am. App. 264, 265. He then decided that elements (4), (5) and (6) could not supply patentability to the claims because they had long been on pre-existing respondents' equipment. The Court of Appeals for the Seventh Circuit agreed, App. A this petition, pages 31 to 33. Neither court held the

combination of elements (1), (2), (3) and (7) invalid over respondents' equipment excepting by relying upon the copyright.

2. Similarly in invalidating for wrong inventorship, the trial judge did not consider, Am. App. 242, elements (1), (2), (3) and (4), which he had disposed of by the copyright, but solely elements (5), (6) and (7) contributed by respondent Schulenburg, who apparently was the inventor.

3. The third ground, invalidating over the prior patents, is found in the findings only, and follows the same pattern. Findings 47 through 54, and 56 to 63 are dependent on Finding 55 which referring to the copyright ends, "and is also prior art for said patent." Am. App. 263-267.

All three grounds for invalidation are predicated upon a finding that the copyright was a printed publication and a bar to the only combination of elements, namely, (1) (2), (3) and (7), in the claims that could be considered patentable.

Reason 2: This Court should decide whether its decision in *Seymour* v. *Osborne*, 11 Wall. 516 (1870) still defines what a "printed publication" must show in order to be a statutory bar to a patent.

In *Seymour* v. *Osborne*, 11 Wall. 516, 555 (1870), this Court said:

> "Patented inventions cannot be superseded by the mere introduction of a foreign publication of the kind, though of prior date, unless the description and drawings contain and exhibit a substantial representation of the patented improvement, in such full, clear, and exact terms as to enable any person skilled in the art or science to which it appertains, to make, construct, and practice the invention to the same practical extent as they would be enabled to do if the information was derived from a prior patent."

This decision was approved by this Court in *Cohn v. United States Corset Co.*, 93 U. S. 366, 370 (1876); *Doucoure v. Yeager Milling Co.*, 108 U. S. 466, 471 (1883); and *Eames v. Andrews*, 122 U. S. 40, 66 (1887).

In the present case, the printed publication is a photostat of the exterior of a sign showing a panel at the bottom of the sign with time in digit form. Below the sign is a second panel showing temperature in digit form. The photostat in the Library of Congress is like Pl. Ex. 24, App. D this petition, page 39. Neither the description in the copyright, Def. Ex. A, App. C, this petition, page 37, nor the photostat itself described any relationship between the two panels. Specifically, the word 'alternately' does not appear. Both courts approved Finding of Fact 55, Am. App. 265.

A decision on this reason is important because this Court has held for over eighty years that a prior publication must show the patentable combination of a claim, and the courts below have not applied this rule.

Reason 3: This Court should decide whether the standard of patentability is that set up in *The Great Atlantic and Pacific Tea Company v. Supermarket Equipment Corporation*, 340 U. S. 147, or that set up in 35 U. S. C., Sec. 103, or both.

The courts are in great confusion on this point. A brief history will point this out as well as explain it. Prior to 1940, the accepted standard of patentability was whether or not the combination of elements in a claim would have been obvious to a *mechanic* having ordinary skill in the particular art. The word "mechanic" was usually used. Under this rule, the patentee's case was supported by testimony of men having ordinary skill in the particular art, and the judge had definite factual information presented to him. In the 20's, there appeared in the decisions

a phrase "new and unexpected result". This test created a difficult situation because one could not determine who it was for whom the result was new and unexpected. For one skilled in the art, hardly any result would be new and unexpected. Indeed, an inventor usually knows the result he wants and if he succeeds in obtaining it, it cannot be said that the result is new and unexpected for him. This test is subjective and by its nature, it is exercised by the mind of the person making the decision. One judge skilled in the mechanical arts may think that a given combination is expected, while another judge not so skilled may conclude differently. Persuasiveness of lawyers is substituted for evidence of witnesses.

The introduction of new tests reached a peak in the cases of *Cuno Engineering Corporation* v. *Automatic Devices Corporation*, 340 U. S. 147 (1941), and *Great Atlantic and Pacific Tea Company* v. *Supermarket Equipment Corporation*, 340 U. S. 147 (1950). In the first of these cases, this Court spoke of a "flash of genius" indicating that the inventor had to demonstrate that something unusual occurred in a moment. This eliminated from patentability all those inventions which resulted from hard work and experimentation. In the case, the court spoke of "unusual or surprising consequences from the unification of the elements", and mere unification of old elements "with no change in their respective functions" is not invention. After these decisions, the old standard of what is obvious to a man having ordinary skill in the art was gone. A subjective test was substituted for an objective one and no evidence in a trial was of value.

The Patent Bar sought a new statute to codify the law. Specifically, the Act of 1952 attempted to render the standard more definite. This was done by stating that a man who invented something may obtain a patent, 35 U. S. C. 101, excepting where every element of the claim was shown

in selected types of prior art, which is Section 102, and excepting where even though all the elements of a claim were not identically shown in prior art under Section 102, the combination was obvious to a person having ordinary skill in the particular art. This is Section 103. The last sentence of Section 103 removed the "flash of genius" test of *Cuno Engineering Corporation* v. *Automatic Devices Corporation* from the law.

Some thought that Section 102 in combination with the first sentence of Section 103 replaced the *Great Atlantic and Pacific Tea* standard with the former standard. There is no other standard of invention set up in the Act, and the standard set up in Section 103 is clear.

The reason why this Court should decide what the applicable standard of patentability is resides firstly, in the confusion not only between different courts of appeal but within a single court of appeals, and secondly, the standard of Sec. 103 is superior to that of the *A & P* standard.

The most recent decisions of the Court of Appeals for the Seventh Circuit are typical. In the case of *Hazeltine Research, Inc.* v. *Dage Electric Co., Inc.*, F. 2d , the Court applied the *A & P* standard. 35 U. S. C., Sec. 103 was not mentioned. On the same day, in *Seneca Products, Inc.* v. *Fastener Corp.*, F. 2d , the Court applied the *A & P* standard and then independently, in a separate paragraph, applied the standard of Section 103. Earlier, on May 20, 1959, in *Enterprise Equipment Co.* v. *Keystone Equipment Co.*, 267 F. 2d 102, 105, the court said that it applied the standard of Section 103, but supported its position with three decisions embracing the *A & P* standard, only one of which alludes to Sec. 103.

In the present case, the trial court in Findings 58 and 59, Am. App. 266, relying upon the copyright, applied the standard of the *A & P* case to the claims as set forth in

Findings 47-57, Am. App. 265-266, and then with respect to the mechanical elements and manner of connecting them, in Finding 60 applied the standard of Sec. 103; Am. App. 267. The Court of Appeals for the Seventh Circuit used the phraseology of Sec. 103, without referring to it, and supported it by the decision of *Otis* v. *National Tea Co.*, 218 F. 2d 153 (CCA 7, 1955), which used both, App. A, this petition, page 32.

The Court of Appeals for the second Circuit in *Lyon* v. *Bausch & Lomb Optical Co.*, 224 F. 2d 530, 535, 536 (1955), by Judge Learned Hand, looked only to Sec. 103 as the standard of invention and stated that it restored the standard of invention existing prior to 1930.

In Appendix E, this petition, page 41, petitioner has collected for the period January 1, 1955 to June 30, 1959:

(1) Twenty-six cases that followed the *A & P* standard exclusively;

(2) Twenty-seven cases that applied the Sec. 103 standard exclusively;

(3) Eleven cases that applied both the *A & P* standard and the Sec. 103 standard; and,

(4) Ten cases of the Court of Customs and Patent Appeals which seem to use exclusively the standard of Sec. 103.

If this Court decides that the sole standard of patentability is the obviousness of the combination to a person having ordinary skill in the sign art, the claims would be held patentable because the only witnesses in the sign art were the two Williams brothers and Schulenburg, Sr., who testified that the sign was "outstanding" and "off the cuff" said there was no equal in the last ten years, and the sign has had great commercial success, App. G and H, this petition, pp. 47-52. It is the visual effect that measures this invention.

Secondly, the standard of Section 103 is superior to that of the *A & P* case. If permitted, petitioner will show that

"obviousness" in a particular art is the better standard because (a) it is objective, (b) it is based on evidence, (c) it forces litigants to limit themselves to a specific art, and (d) it eases the burden on the trial court.

REASON 4: The Court of Appeals for the Seventh Circuit, in holding that obligations in a supplier-customer relationship can only arise if there is a trade secret, has decided an important state question of equity law in conflict with applicable decisions of Illinois courts.

The law of confidential relations is of increasing importance. As our society becomes more and more integrated, human business relationships so increase in number that it is impracticable to reduce them to writings. Wrongdoing progresses unimpeded if the law does not impose standards. Particularly is this true in manufacturing where the molding, diemaking, stamping and fabricating arts have become so specialized, that the manufacturer of the end product buys the components to assemble it from many suppliers, many of whom acquire knowledge of his success and who, while profiting from his purchases for a while, are in a position to damage him.

State equity jurisprudence should be enforced in our federal courts under the rule of *Erie R. Co.* v. *Thomkins*, 304 U. S. 64 (1938). This Court has held that state, intermediate, appellate court decisional law should be honored in the federal courts, *West* v. *American Telephone and Telegraph Co.*, 311 U. S. 223 (1940), and petitioner submits that Illinois law no longer bases equitable relief upon the presence of a trade secret.

Paragraphs 35 and 36 of the Amended Complaint, Am. App. 28-29, charge that a supplier of a device, new to the supplier, and from whom the customer exclusively buys over a period of years, is in a relationship to this customer which, whether described as confidential or not, imposes obligations on the supplier if the supplier terminates the

relationship. Whether the obligations arose must be determined by Illinois law. Petitioner relied upon *Jones* v. *Ulrich*, 342 Ill. App. 16 (1950); and the facts in that case compare with the facts in this case as follows:

Jones v. *Ulrich*	*Case at bar.*
1. Plaintiff conceived a fertilizer spreader for mounting on the tail gate of a farm wagon wherein a workman could stand in the wagon and shovel in fertilizer and the spreader would throw it out on the ground.	1. Petitioner's officers conceived a sign in which time and temperature were to be alternately displayed in digital form on a single bank of lamps.
2. The defendant ran a machine shop and offered his services to construct special equipment.	2. Respondents made controls for signs and offered to solve special control problems for sign makers.
3. Plaintiff's idea was new to the defendant. Defendant had never made any money on the new device.	3. The "Double 'TT'" sign was new to the individual respondents who had never made any money on such a combination.
4. Plaintiff went to defendant's shop and together in one day they made a prototype.	4. Petitioner's predecessor called the individual respondents who modified their existing time and temperature controls in Danville, Illinois, and sent them to Petitioner's predecessor in Spokane, Washington. Petitioner's predecessor made the lamp bank and sign and installed.
5. Plaintiff paid the price asked.	5. Petitioner's predecessor paid the price asked.
6. Plaintiff sold the prototype and started a business.	6. Petitioner's predecessor sold the first sign and incorporated petitioner.
7. Plaintiff gave defendant his repeat orders, the business expanding.	7. Petitioner, gave all repeat orders over four years to the individual respondents. In the first nine months of 1955 they totaled about $110,000.
8. After some months, defendant commenced to sell directly in competition with the plaintiff.	8. After four years, the individual respondents commenced to sell in competition with the petitioner.

Result.

The Appellate Court for the Third District of Illinois enjoined the defendant.

The United States District Court for the Eastern District of Illinois and the Court of Appeals for the Seventh Circuit held that there was no confidential relationship and gave judgment for respondents.

Both the trial court and Court of Appeals relied on the case of *Victor Chemical v. Iliff*, 299 Ill. 532, 548 (1921), decided by the Illinois Supreme Court in 1921, wherein it states that a confidential relationship must contain a trade secret. Petitioner's Complaint does not charge taking of a trade secret. The sole issue is whether or not the law as stated in the Illinois Supreme Court decision of 1921 defined the limits of equity relief in 1957. Since the decision in 1921, there have been two Appellate Court decisions in Illinois, the first in 1941, being *Pidot v. Zenith Radio Corporation*, 309 Ill. App. 197 (1941), and *Jones v. Ulrich*, analyzed above.

The decisions in the courts below violate basic principles of equity, namely, that the alleged wrongs committed by a party formerly in a relationship shall be stated and then the relationship examined to determine whether an obligation not to perform a particular wrong arose. In this case, there is no finding of fact nor statement in the decisions of either court as to what the respondents did. The charges of paragraphs 35-40 of the Amended Complaint, Am. App. 28, are completely ignored. An action in equity is not like an action on a written contract. If the written contract is illegal and the court so holds, there is no point to examining breach. In a case in equity, however, the basis of decision is relating what a charged party did to the relationship in which he had been. The existence of a confidential relationship is only partly a question of fact.

Placing among the findings of fact a conclusion that there was no confidential relationship does not make that a finding of fact. By not making findings of fact on what the respondents did, the trial court has made it impossible to decide whether there was a confidential relationship here.

The gist of the wrong here is the respondents' holding themselves out to perform special services for a price. The respondents should be in a somewhat similar position to that of a lawyer or a doctor under such circumstances. Equity should not allow a man to accept money for a service and then to destroy the man who brought the idea to him in the first place and enabled him for a period of years to make substantial money. The courts below have not followed the spirit of Illinois equity law and indeed have not followed general principles of considering relief where a wrong is charged. This branch of equity law stems from this Court's decision in *DuPont* v. *Masland*, 244 U. S. 100, 102 (1917). The only other cases pertinent on their facts to the supplier-customer relationship both granted relief to the plaintiff, namely: *Ehrenworth* v. *Stuhmer*, 229 N. Y. 210; and *Reddi-Whip, Inc.* v. *Knapp Monarch*, 104 F. Supp. 204, D. C. Mo. (1952).

Respectfully submitted,

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APPENDIX A.

IN THE UNITED STATES COURT OF APPEALS
For the Seventh Circuit.

September Term, 1958 — April Session, 1959.

Nos. 12509, 12510, and 12511.

AMERICAN SIGN AND INDICATOR CORPORATION,
Plaintiff-Appellant,
vs.
EDWARD J. SCHULENBURG, *et al.*, etc.,
Defendants-Appellees.

TIME-O-MATIC, INC.,
Plaintiff-Appellee,
vs.
AMERICAN SIGN AND INDICATOR CORPORATION,
Defendant-Appellant.

TIME-O-MATIC, INC.,
Plaintiff-Appellant,
vs.
AMERICAN SIGN AND INDICATOR CORPORATION,
Defendant-Appellee.

Appeals from the United States District Court for the Eastern District of Illinois.

June 3, 1959.

Before SCHNACKENBERG, HASTINGS, and KNOCH, *Circuit Judges.*

KNOCH, *Circuit Judge*. The following issues were presented to the District Court in this cause:

(1) Was there an oral contract between Williams Brothers, Inc. and Time-O-Matic Company (hereinafter called "TOM CO") whereby the latter was to manufacture and sell exclusively to Williams Brothers, Inc., equipment for displaying time and temperature on a single panel of lights, and whereby Williams Brothers, Inc., was to purchase all equipment for these signs from TOM CO?

(2) Was there a confidential relationship between TOM CO and American Sign and Indicator Corporation (hereinafter called "ASI") and Williams Brothers, Inc.?

(3) Is Patent No. 2,673,976 (owned by ASI) valid? Are TOM CO and its successor Time-O-Matic, Inc., (hereinafter called TOM) estopped to deny its validity?

(4) If the patent is valid was it infringed?

(5) If ASI has failed to establish the oral contract or the confidential relationship, and the patent is invalid, is TOM entitled on the basis of unfair competition, to damages and to restrain ASI from interfering with the sale of its equipment for displaying time and temperature on a single bank of lamps?[1]

On or about August 17, 1956, TOM had sought declaratory judgment that the patent in suit was invalid and not infringed. TOM also sought to restrain alleged unfair competition by ASI and prayed damages therefor. ASI filed suit on or about October 31, 1956, against Edward J. Schulenburg, Edward J. Schulenburg, Jr., Helen E. Schulenburg, and Marie V. Pottebaum, partners operating under the name of TOM CO and its successor TOM, to recover damages for breach of alleged oral contract and confidential relationship, in addition to injunction and

[1] Adopted from the excellent opinion of Judge Casper Platt which has been substantially followed by this Court.

accounting for damages from patent infringement. The two causes were consolidated.

The District Court found the patent invalid, and found no such contract or confidential relationship between the parties as alleged by ASI in its complaint. The District Court, therefore, enjoined ASI from charging TOM or its customers with infringement of the patent. In addition, the District Court found no unfair competition on the part of ASI as complained of by TOM, and denied injunction. Both ASI and TOM appealed.

A brief survey of the factual situation giving rise to these actions will be helpful. This Court may not set aside the findings of fact of the District Court unless we find them clearly erroneous. Rule 52(a), Federal Rules of Civil Procedure, 28 U.S.C.A.; *Hyster Co. v. Hunt Foods, Inc.*, 7 Cir., 1959, 263 F. 2d 130, 133; *Simmons Co. v. Brandwein & Co.*, 7 Cir., 1957, 250 F. 2d 440, 445.

In 1949, Charles and Luke Williams, partners in the business of cleaning, painting, selling and installing neon signs, organized Williams Brothers, Inc., a corporation of the State of Washington.

During the month of May, 1952, the Williams Brothers incorporated ASI (also in the State of Washington, with places of business in Spokane, Washington, and Chicago, Illinois) to sell a sign alternately displaying time and temperature on a single bank of lights, or on one reading panel.

TOM CO, in Danville, Illinois, for a number of years was a manufacturer and seller of control equipment for signs.

Northwestern Agencies, Inc., in Seattle, Washington, was TOM CO's distributor or manufacturer's representative in the Pacific Northwest. Coastal Sales Co., at Seattle and Spokane, Washington, was TOM CO's jobber

or sign supply house. Both sold electrical equipment for other manufacturers as well.

The Williams brothers knew that TOM CO had for many years been selling electrical control equipment for signs displaying time and temperature separately. On or about May 23, 1951, Charles Williams telephoned J. W. Sutphin, TOM CO's Sales Manager. Charles Williams asked if TOM CO could build and supply control equipment to display time and temperature alternately on a single bank of lights, and at what price. Sutphin, in this telephone conversation, in the hearing of W. E. Bachman, TOM CO's specifications engineer, stated that TOM CO could supply the equipment, but that he would have to figure out the means and price.

The District Court found that Charles Williams disclosed no details or plan of accomplishing the desired end result. Charles Williams had no drawings or details for use of the mechanisms. The idea of the single bank display was not a trade secret, nor was it confidentially disclosed to TOM CO at this or any other time. Nor had TOM CO solicited the idea.

After consultation with Sutphin and Donald Banks in TOM CO's engineering department, Bachman wrote Charles Williams May 25, 1951, quoting standard list prices for one numeral clock mechanism at $880, one numeral thermometer control at $1980, and estimated cost of one relay panel for switching the lamp bank alternately from clock mechanism to thermometer control at $600. No charge for engineering was included. He enclosed sketches of the composite lamp bank and numeral styles for a lamp bank, together with explanation for placing lamps in a composite lamp bank, and photographs of the time and temperature controls.

On or about June 26, 1951, the Williams brothers gave

Greek Wells, patent attorney, photostats of a proposed sign design for the Spokane and Eastern Branch of the Seattle First National Bank, Spokane, Washington, including alternate display of time and temperature on a single bank of lamps. Application for copyrighting the sign design was received in the United States Copyright Office July 3, 1951, and copyright was registered July 31, 1951. The idea and the design were thus published more than one year prior to the filing of application for the patent on December 19, 1952. Wells' sketch allegedly made in June, 1951, discloses no wiring, details of mechanisms, nor use of lifter bars. The District Court found that E. J. Schulenburg, TOM CO's manager, (who was away from the factory when Charles Williams telephoned and Bachman wrote on May 25, 1951), later suggested lifter bars instead of the relay panel.

On or about June 27, 1951, Williams Brothers, Inc. presented the Spokane and Eastern Bank with the completed sketch of the proposed sign, and under date of July 10, 1951, wrote the Bank that this would be the only known unit displaying correct time and temperature alternately from the same reader panel. At the Williams brothers' request, Sutphin sent the Williams brothers a letter dated August 31, 1951, stating that TOM CO had "never furnished equipment for a combination time and temperature indication" . . . "from a common, composite lamp bank."

In September, 1951, when the Williams brothers requested Wells to file application for a patent, they had no sketches or diagrams for accomplishing alternate display of time and temperature.

At a meeting, on or about September 21, 1951, in Seattle, Washington, where the proposed sign for the Bank was discussed, Schulenburg instructed the Williams

brothers in construction of the lamp bank, placement of lamps on the sign, location of the control thermometer and operation of the equipment TOM CO. would furnish.

The District Court found that the Williams brothers made no effort to treat the proposed sign as a confidential disclosure, and that there was no oral understanding or agreement, express or implied, that Williams Brothers, Inc., would purchase all its control equipment for the alternate display signs from TOM CO or that TOM CO would sell such equipment solely to Williams Brothers, Inc., although Schulenburg did state TOM CO would refer inquiries to Williams Brothers, Inc.

On or about September 26, 1951, without TOM CO's knowledge, Williams Brothers, Inc. guaranteed the Bank exclusive use of the alternate display sign on the strength of an alleged "patent pending". No patent application had yet been filed.

About October 19, 1951, Williams Brothers, Inc. ordered control equipment for the Bank's proposed sign from Coastal Sales Company, which, in turn, placed its order with TOM CO about October 25, 1951.

TOM CO's employees planned the wiring and use of lifter bars (as suggested by Schulenburg in place of the originally quoted relay panel) on the numeral clock and numeral thermometer control mechanism under the control of its flasher to produce the alternate display of time and temperature. The control equipment was built by TOM CO in Danville, Illinois, and shipped December 12, 1951 to Williams Brothers, Inc.

It arrived in Spokane, about December 15, 1951, in separate units, with complete wiring diagrams and instructions. The Williams brothers had built the cabinet and the lamp bank, having obtained the information on how to lay out the lamp bank from TOM CO. The Williams brothers had sold, repaired, and assembled signs.

but they had never manufactured or assembled any of these units. With the aid of an employee and using the diagrams and instructions from TOM CO, they mounted the control equipment units in the cabinet, wired them together and to the lamp bank. The sign was put into operation on December 27, 1951.

By letter dated December 11, 1951, Sutphin stated that inquiries on the equipment for alternate time and temperature display would be referred to Williams Brothers, Inc. In 1952, ASI was organized and TOM CO referred inquiries to ASI.

Frequent correspondence between the Williams brothers, ASI and TOM CO in repeated, unsuccessful attempts to persuade TOM CO to enter an exclusive buyer and seller agreement, clearly negates the existence of such an agreement between them. The actions of the parties were inconsistent with the existence of such agreement. Williams Brothers, Inc., and ASI made no objection when TOM CO sold control equipment to Electrical Products Consolidated which installed it in a Denver, Colorado, bank. Charles Williams acknowledged with appreciation Schulenburg's letter notifying him of Electrical Products Consolidated's inquiry. TOM CO made no objection when informed that ASI was purchasing control equipment elsewhere and was substituting relays purchased elsewhere for lifter bars.

The patent issued March 30, 1954, to Charles and Luke Williams as the alleged inventors, who assigned all their rights under the patent to ASI. The patent covered the use of lifter bars and not relays as were then being used by ASI.

The record shows discussion and correspondence between ASI and TOM CO concerning competition from International Business Machines. At one time ASI had negotiated with International Business Machines to use

its control equipment in place of TOM CO equipment. About May 4, 1956, Schulenburg was insisting ASI sell signs to various companies, or TOM CO would develop and market alternating time and temperature control equipment to the sign trade, to meet IBM competition, although TOM CO would be happy to have ASI continue to purchase its equipment. Although warned that ASI would sue for patent infringement and use of confidential information, TOM, beginning late in April, 1956, began to promote its own equipment by direct mail and trade journal advertising. On July 13, 1956, ASI wrote sign supply houses charging TOM with infringement, although, as yet, ASI did not know the construction of TOM's equipment.

TOM brought suit for declaratory judgment, as indicated, on or about August 17, 1956, and ASI filed suit on or about October 31, 1956. In November, 1956, at a convention in Los Angeles, California, ASI distributed card notifications of its patent and pending litigation, and in early 1958, wrote many banks and loan associations respecting its patent. There was no assertion by ASI or Williams Brothers, Inc. of any exclusive agreement with TOM CO (or breach thereof) not to sell TOM equipment to others.

ASI was leasing its signs, containing TOM equipment, to various banks on exclusive territory bases. The District Court did not determine the validity of such lease provisions, nor was it required to do so. The evidence did not disclose that TOM CO or TOM were informed of the terms of these leases, the identity or location of the lessees. They were not parties directly or indirectly and were not bound by the leases.

The District Court's finding of fact No. 45 describes the equipment at the Spokane and Eastern Bank, installed in December 1951, by Williams Brothers, Inc. in accordance with TOM CO's wiring diagrams and instructions, and

containing control equipment engineered and developed by TOM CO as follows:

"(a) It included a lamp bank which was fabricated by Williams Brothers, Inc. in accordance with instructions from TOM Co. and in accordance with lamp layouts which had been used by TOM Co. since at least 1948.

"(b) It also included a numeral clock which was essentially like the numeral clock which TOM Co. had been making and selling since March 1949. The numeral clock included a synchronous motor which closed a switch each minute for operating a run back motor, which in turn continuously operated cams in steps for opening and closing spring closed contacts which were connected to the lamp bank for displaying time in hours, ten minutes and minutes.

"(c) It further included a numeral thermometer control mechanism which was essentially like the numeral thermometer control mechanism which TOM Co. had been making and selling since May 4, 1951; and it included three units, a thermometer amplifier controller and two numeral controls. The thermometer amplifier controller sensed temperature conditions through an amplifier and continuously operated a reversible motor, which continuously operated cams for opening and closing spring closed contacts. Each numeral control included a continuously operable single direction motor which was controlled by the control contacts of the thermometer and amplifier controller to continuously operate cams in steps for opening and closing spring closed contacts which were connected to the lamp bank for displaying temperature in tens of degrees and degrees.

"(d) In addition, the numeral controls and the numeral clock contained lift mechanisms which were

essentially like the lift mechanisms which TOM Co. had been making and selling since 1948 and 1949. The base of the numeral controls and the numeral clock were made about three inches wider than usual to accommodate the lift mechanisms, and contacts with tails, which had been used on TOM Co.'s flashers, were substituted for the usual contacts so that the lifter bars of the lift mechanisms could engage beneath the tails to lift all of the contacts at one time. The purpose of all of these lift mechanisms was to simultaneously lift all of the cam actuated spring closed contacts at one time to simultaneously open all of the circuits through such contacts. The solenoids of the lift mechanisms were energized to open the contacts and they were controlled by a flasher operating on a five second timing cycle. The lift mechanisms of the numeral controls were also controlled by the relays which controlled the single direction motors of the numeral controls. The lift mechanisms of the numeral clock were also controlled by a relay which was operated by the synchronous motor operated switch which controlled the run back motor.

"(e) The flasher alternately energized the solenoids of the lift mechanisms of the thermometer numeral controls and the numeral clock to open the contacts of the numeral controls for disconnecting the numeral thermometer control mechanism from the lamp bank to display time, and to open the contacts of the numeral clock for disconnecting the numeral clock from the lamp bank to display temperature. In other words, the flasher and lift mechanisms operated to alternately disconnect the numeral thermometer control mechanism and the numeral clock from the lamp bank to display time and temperature, respectively, alternately. Whenever a time change occurred, the continuously operable numeral clock, which con-

tinuously operated its cams, was disconnected by its lift mechanisms from the lamp bank and, if time was then being displayed, the lamp bank was blacked out. Likewise, when a temperature change occurred, the continuously operable numeral thermometer control mechanism, which continuously operated its cams, was disconnected by its lift mechanisms from the lamp bank, and, if this occurred while temperature was being displayed, the lamp bank was blacked out."

The draftsman employed by Greek Wells made up the drawings for the patent application from the above described Spokane and Eastern Bank sign and the patent entitled "Display Sign," represents and discloses that installation in construction, manner of operation, and results.

As indicated by the patent itself and the testimony of Greek Wells, the patent is not based on the general design or idea of alternate display of time and temperature on a single bank of lamps, but is limited to use of the particular control equipment described and claimed to produce the end result.

A study of the prior art presented at the trial (more like the patent than that cited by the Patent Examiner, who did not see an consider TOM CO's prior control equipment,)[2] shows at lamp banks in a display sign (including equipment for illuminating different characters), circuit controlling devices for connecting and disconnecting current supply to a single bank of lamps, time and temperature controlled control devices to energize appropriate lamps in the bank, and rocker bars beneath a group of spring closed cam operated contacts to lift all of the group of contacts together, were all old in the art in structure, function and results produced. The functions performed by the assembly of those elements were merely the sum total of the old function of the individual

elements with no unusual or unexpected result. This was not patentable invention. *A. and P. Tea Co. v. Supermarket Corp.*, 340 U.S. 147, 151 (1950).

The design of the sign had been made open for public inspection by the copyright registration more than one year prior to filing the patent application. 35 U.S.C.A. Sec. 102 (b). The claimed subject matter of the patent would have been obvious to one having ordinary skill in the art. *Otis v. National Tea Co.*, 7 Cir., 1955, 218 F. 2d 153.

The record shows the findings of fact of the Court below not to be clearly erroneous. We agree with the District Court's conclusions that the patent is invalid in view of the prior art, because the claimed subject matter was obvious at the time of alleged invention to one ordinarily skilled in the art to which the claimed subject matter pertained, and because the Williams brothers did not themselves invent the subject-matter. ASI argues that the District Court misapplied the rule of *Agawam Woolen Co. v. Jordan*, 74 U.S. 583, 602 (1868). That case is easily distinguished. Goulding, plaintiff's assignor, had discovered an improved principle in a machine. The fact that he employed others to assist him in carrying out that principle and adopted some of their suggested improvements was held not to bar his securing a valid patent as sole inventor. Here, however, the idea of displaying alternately illuminated characters was old in the art.

It further appears that the District Court was fully justified in finding that ASI, as owner of a patent it believed to be valid, was acting in good faith in issuing notices of alleged infringement and was not guilty of unfair competition.

This Court also agrees that there was no contract or

agreement, express or implied, whereby TOM or TOM CO agreed not to sell its control equipment other than to Williams Brothers, Inc. or ASI, nor was there a confidential relationship between them.

AFFIRMED.

APPENDIX B.

Statutes.

35 U. S. C. Section 101:

"§ 101. Inventions patentable.

"Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title. July 19, 1952, c. 950 § 1, 66 Stat. 797."

35 U. S. C. Section 102(a) and (b):

"§ 102. Conditions for patentability; novelty and loss of right to patent.

"A person shall be entitled to a patent unless—

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States, or

"July 19, 1952, c. 950 § 1, 66 Stat. 797."

35 U. S. C. Section 103:

§ 103. Conditions for patentability; non-obvious subject matter.

"A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a

person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made. July 19, 1952, c. 950 § 1, 66 Stat. 798."

17 U. S. C. Section 12:

"§ 12. Works Not Reproduced for Sale.—Copyright may also be had of the works of an author, of which copies are not reproduced for sale, by the deposit, with claim of copyright, of one complete copy of such work if it be a lecture or similar production or a dramatic, musical, or dramatico-musical composition; of a title and description, with one print taken from each scene or act, if the work be a motion-picture photoplay; of a photographic print if the work be a photograph; of a title and description, with not less than two prints taken from different sections of a complete motion picture, if the work be a motion picture other than a photoplay; or of a photograph or other identifying reproduction thereof, if it be a work of art or a plastic work or drawing. But the privilege of registration of copyright secured hereunder shall not exempt the copyright proprietor from the deposit of copies, under sections 13 and 14 of this title, where the work is later reproduced in copies for sale."

17 U. S. C. Section 212:

"§ 212. Records and Works Deposited in Copyright Office Open to Public Inspection; Taking Copies of Entries.—The record books of the copyright office, together with the indexes to such record books, and all works deposited and retained in the copyright office, shall be open to public inspection; and copies may be taken of the copyright entries actually made in such record books, subject to such safeguards and regulations as shall be prescribed by the Register of Copyrights and approved by the Librarian of Congress."

Pc 1a

GISTRATION NO. CLASS

Iu 7432 I

CERTIFICATE OF REGISTRATION

OF A CLAIM TO COPYRIGHT IN A DRAWING OR PLASTIC WORK OF A SCIENTIFIC OR TECHNICAL CHARACTER

SCIENTIFIC OR TECHNICAL DRAWING OR PLASTIC WORK **FORM I**

THIS IS TO CERTIFY that the following statements for the work herein named have been made a part of the records of the Copyright Office. In witness whereof the seal of the Copyright Office is hereto affixed.

William P. Siegfried

[redacted]
Register of Copyrights
ACTING United States of America

1. COPYRIGHT CLAIMANT OR CLAIMANTS (Full NAMES and ADDRESSES):

Williams Brothers Inc.

N. 817 Lincoln, Spokane 11, Washington

2. TITLE Spokane Eastern Sign Design

3. AUTHOR (The word "Author" includes an employer in the case of works made for hire). Full name (including middle name) and pseudonym (if any):

NAME Williams Brothers Inc. (First) (Middle) (Last) CITIZENSHIP America (Country)

DOMICILE N. 817 Lincoln, Spokane 11, Washington (Address)

4. FOR PUBLISHED WORKS ONLY:

(a) Published by _____ (Name) at _____ (Place)

(b) Date first placed on sale, sold, or publicly distributed _____ (Month, day, and year)

(c) IF PRODUCED OUTSIDE THE UNITED STATES by lithographic or photoengraving process, state where _____ (Country)

5. SEND CERTIFICATE, REFUND (IF ANY), AND OTHER COMMUNICATIONS TO:

DATES OF RECEIPT IN COPYRIGHT OFFICE

APPLICATION

1-3 '55

APPE

Wyff & ex. A. for id.

Form 1a

REGISTRATION NO. Iu 7432 CLASS I

CERTIFICATE OF REGISTRATION

OF A CLAIM TO COPYRIGHT IN A DRAWING OR PLASTIC WORK OF A SCIENTIFIC OR TECHNICAL CHARACTER

lithographic or photoengraving process, etc.

SCIENTIFIC OR TECHNICAL DRAWING OR PLASTIC WORK **FORM I**

(Country)

5. SEND CERTIFICATE, REFUND (IF ANY), AND OTHER COMMUNICATIONS TO:

NAME Creek Wells

ADDRESS Old National Bank Bldg.
(Number and street)

Spokane (City) 1 (Zone) Washington (State)

DATES OF RECEIPT IN COPYRIGHT OFFICE	
APPLICATION	JUL -3 1951
ONE COPY	
TWO COPIES	JUL -3 1951

$4.00

43084 JUL -3'51

48577 JUL 31'51

APPENDIX C. A

37

Weyl E x 9 fold

Form 2b

INSTRUCTIONS FOR SECURING REGISTRATION OF COPYRIGHT IN A DRAWING OR PLASTIC WORK OF A SCIENTIFIC OR TECHNICAL CHARACTER

PUBLISHED WORKS

Registration may be secured for a drawing or plastic work of a scientific or technical character after it has been published with notice of copyright, which may consist of the word "Copyright," or the abbreviation "Copr.," accompanied in either case by the name of the copyright proprietor. The symbol ©, accompanied only by the initials, monogram, or name of the copyright proprietor, placed on the visible portion of the copies or on a label, permanent base, or pedestal, or on the substance on which such copies shall be mounted, his name shall suffice.

The "date of publication" in the case of a work of which copies are reproduced for sale or public distribution is defined in the Copyright Act as "the earliest date when copies of the first authorized edition were placed on sale, sold, or publicly distributed by the proprietor of the copyright or under his authority." The act provides that promptly after such publication with notice there shall be deposited in the Copyright Office two complete copies* of the best edition thereof then published, which should be accompanied by an application on Form I and statutory fee of $2 for registration and certificate.

UNPUBLISHED WORKS

Copyright may also be secured for an unpublished drawing or plastic work of a scientific or technical character by the deposit in the Copyright Office of a photograph or other identifying reproduction,* accompanied by a claim of copyright (use application Form I) and the statutory fee of $1 for registration and certificate.

DURATION OF COPYRIGHT

The first term of copyright is 28 years, which is computed in the case of a work published with notice from the date of publication; and in the case of an unpublished work, from the date of registration. In the twenty-eighth year a renewal application (Form R furnished upon request) may be made to secure a second term of 28 years.

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* For the purpose of identification each copy deposited in the Copyright Office should bear title which should correspond with the title given in the application for registration.

★ ★ ★ ★

If you desire information or application forms (supplied free) for any class of work listed below, please advise which:

CLASS A—Books published in the United States (application Form A).

Books first published in a foreign country (application Form A Foreign).

CLASS B—Periodicals (application Form B).
Contributions to periodicals (application Form B5).

CLASS C—Lectures, sermons, addresses, prepared for oral delivery (application Form C).

CLASS D—Dramatic or dramatico-musical compositions (application Form D).

CLASS E—Musical compositions (application Form E).

CLASS F—Maps (application Form F).

CLASS G—Works of art; models or designs for works of art (application Form G).

CLASS H—Reproductions of a work of art (application Form H).

CLASS I—Drawings or plastic works of a scientific or technical character (application Form I).

CLASS J—Photographs (application Form J).

CLASS K—Prints and pictorial illustrations (application Form K).

Prints or labels used for articles of manufacture (application Form KK).

CLASS L—Motion-picture photoplays (application Form L).

CLASS M—Motion pictures other than photoplays (application Form M).

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Reply Ex. A-1 form

Page 2b

INSTRUCTIONS FOR SECURING REGISTRATION OF COPYRIGHT IN A DRAWING OR PLASTIC WORK OF A SCIENTIFIC OR TECHNICAL CHARACTER

CLASS D—Dramatic or dramatico-musical compositions (application Form D).

CLASS E—Musical compositions (application Form E).

CLASS F—Maps (application Form F).

CLASS L—Motion-picture photoplays (application Form L).

CLASS M—Motion pictures other than photoplays (application Form M).

2

A-1

SPOKANE AND EASTERN

69

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APPENDIX E.

(1) Cases in which sole standard of invention was the A & P standard (1955 through first half of 1959) are: *Gordon Cartons, Inc. v. Altord Cartons*, 218 F. 2d 246, 250 (CCA 4, 1955); *J. R. Clark Co. v. Murray Metal Products Co.*, 219 F. 2d 313, 319 (CCA 5, 1955); *Pollard v. American Phenolic Corporation*, 219 F. 2d 360, 363 (CCA 4, 1955); *Jeffe Mfg. v. Graham*, 219 F. 2d 511, 518 (CCA 5, 1955), Cert. Den. 350 U. S. 825, Reh. Den. 350 U. S. 906; *Winslow Engineering Co. v. Smith*, 223 F. 2d 438, 440 (CCA 9, 1955); *Roberts v. General Motors Corp.*, 228 F. 2d 94, 98, 99 (CCA 6, 1955), Cert. Den. 352 U. S. 824; *Modern Art Printing Co. v. Skeels*, 223 F. 2d 719, 722 (CCA 3, 1955); *Cold Metal Process Co. v. Republic Steel Corp.*, 233 F. 2d 528, 538 (CCA 6, 1956), Cert. Den. 352 U. S. 891, Reh. Den. 352 U. S. 955; *Coleman Co. v. Hella Mfg. Co.*, 233 F. 2d 71, 78 (CCA 9, 1956), Cert. Den. 352 U. S. 326; *Coats, Loaders & Stackers, Inc. v. Henderson*, 233 F. 2d 915, 921 (CCA 6, 1956); *Church of Religious Science v. Kirkood Industries, Inc.*, 234 F. 2d 573, 576 (CCA 7, 1956); *Gratiot v. Farr Co.*, 237 F. 2d 940, 941 (CCA 9, 1956), Cert. Den. 352 U. S. 1026; *Consolidated Trimming Corp. v. London*, 239 F. 2d 33, 36 (CCA D. C. 1956), Cert. Den. 359 U. S. 906; *Deeves v. Whisenant*, 241 F. 2d 413, 414 (CCA 4, 1957); *Cameron Iron Works, Inc. v. Stekoll*, 242 F. 2d 17, 21 (CCA 5, 1957); *B. F. Goodrich Co. v. U. S. Rubber Co.*, 244 F. 2d 468, 469 (CCA 4, 1957); *Borkland v. Pederson*, 244 F. 2d 501, 503 (CCA 7, 1957); *Goldman v. Bobins*, 245 F. 2d 840 (CCA 7, 1957); *Long v. Arkansas Foundry Co.*, 247 F. 2d 366, 370 (CCA 8, 1957); *Technical Tape Corp. v. Minnesota Mining & Mfg. Co.*, 247 F. 2d 343, 347 (CCA 2, 1957), Cert. Den. 355 U. S.

952; *Moist Cold Refrigerator Co., Inc.* v. *Lou Johnson Co., Inc.*, 249 F. 2d 246 (CCA 9, 1957), Cert. Den. 356 U. S. 968; *Bellen* v. *Air Control Products*, 249 F. 2d 460, 461 (CCA 6, 1957); *Bergman* v. *Aluminum Lock Shingle Corp. of America*, 251 F. 2d 801, 803 (CCA 9, 1957); *Cornell* v. *Adams-Engineering Co., Inc.*, 258 F. 2d 874, 875 (CCA 5, 1958); *W. T. Alvarado Sales Co.* v. *Rubaloff*, 263 F. 2d 926, 930 (CCA 4, 1959); *Century Industries, Inc.* v. *Wiboldt Stores, Inc.*, 263 F. 2d 934, 936 (CCA 7, 1959).

(2) Cases in which Section 103 of 35 U. S. C. is employed (1955 through first half of 1959) are: *Lyon* v. *Bausch & Lomb Optical Co.*, 224 F. 2d 530, 535 536 (CCA 2, 1955), Cert. Den. 350 U. S. 911, Reh. Den. 350 U. S. 955; *Pierce* v. *Muehleisen*, 226 F. 2d 200, 204 (CCA 4, 1955); *L-O-F Glass Fibers Co.* v. *Watson, Com'r. Pats.*, 228 F. 2d 40 (CCA D. C. 1955); *Gentzel* v. *Manning, Maxwell & Moore, Inc.*, 230 F. 2d 341, 344 (CCA 2, 1956); *Plax Corporation* v. *Precision Extruders*, 239 F. 2d 792, 794 (CCA 3, 1957); *Brown* v. *Brock*, 240 F. 2d 723, 728 (CCA 4, 1957); *Vermont Structural Slate Co.* v. *Tatko Bros. Slate Co.*, 233 F. 2d 9, 11 (CCA 2, 1956); *Wilson Athletic Goods Mfg. Co., Inc.* v. *Kennedy Sporting Goods Mfg., Inc.*, 233 F. 2d 280, 282 (CCA 2, 1956); *R. M. Palmer Company* v. *Ludow's, Inc.*, 236 F. 2d 496, 499 (CCA 3, 1956); *Sel-O-Rak Corp.* v. *Henry Hanger & Display Fix. Corp.*, 232 F. 2d 176, 178 (CCA 5, 1956), Cert. Den. 352 U. S. 870; *Blish, Mize & Silliman Hardware Co.* v. *Time Saver Tools, Inc.*, 236 F. 2d 913, 914-915 (CCA 10, 1956), Cert. Den. 352 U. S. 1004; *Cold Metal Products Co.* v. *Newport Steel Corp.*, 226 F. 2d 19, 22 (CCA 6, 1955); *Fisch* v. *Gould*, 246 F. 2d 5, 7 (CCA 3, 1957), Cert. Den. 355 U. S. 914; *Grudé* v. *Desperak*, 249 F. 2d 145, 148 (CCA 2, 1957); *Emerson* v. *National Cylinder Gas Company*, 251 F. 2d 152, 156 (CCA 1, 1958); *L. M. Leathers' Sons* v. *Goldman*, 252 F. 2d 188, 191 (CCA 6, 1958); *Merck & Co.* v. *Olin Mathieson Chem-*

cal Corp., 253 F. 2d 156, 162 (CCA 4, 1958); *Stauffer* v. *Slenderella Systems of California*, 254 F. 2d 127, 128 (CCA 9, 1957); *Little Mule Corporation* v. *The Lug-All Company*, 254 F. 2d 268, 275 (CCA 5, 1958); *Vacheron & Constantin-Le Coultre Watches, Inc.* v. *Benrus Watch Company, Inc.*, 260 F. 2d 637, 641 (CCA 2, 1958); *Savoy Leather Mfg. Corp.* v. *Standard Brief Case Co.*, 261 F. 2d 136, 138 (CCA 2, 1958); *Stabler* v. *Bright Leaf Industries, Inc.*, 261 F. 2d 383, 384 (CCA 5, 1958); *Carborundum Company* v. *National Tea Company*, 262 F. 2d 277, 279 (CCA 7, 1958); *Surgitube Products Corp.* v. *Scholl Mfg. Co.*, 262 F. 2d 824, 826 (CCA 2, 1959); *Hyster Company* v. *Hunt Foods, Inc.*, 263 F. 2d 130, 133 (CCA 7, 1959); *Enterprise Railway Equipment Co.* v. *Keystone Ry. Equipment Co.*, 267 F. 2d 102, 105 (CCA 7, 1959); *Doran Coffee Roasting Co., Inc.* v. *Wyott Mfg. Co.*, 267 F. 2d 200, 202 (CCA 10, 1959).

(3) Cases in which both standards (1955 through first half of 1959) were employed: *Helms Product, Inc.* v. *Lake Shore Mfg. Co., Inc.*, 227 F. 2d 677, 682 (CCA 7, 1955); *Blaw-Knox Co.* v. *I. D. Lain Co.*, 230 F. 2d 373, 376 (CCA 7, 1956); *Steffan* v. *Weber Heating & Sheet Metal Co.*, 237 F. 2d 601, 604 (CCA 8, 1956); *Noble Co.* v. *C. S. Johnson Co.*, 241 F. 2d 469 (CCA 7, 1957); *Oriental Foods, Inc.* v. *Chun King Sales, Inc.*, 244 F. 2d 909, 911-913 (CCA 9, 1957); *Hobbs* v. *Wisconsin Power & Light Co.*, 250 F. 2d 100 (CCA 7, 1957), Cert. Den. 356 U. S. 932; *Mojonnier Dawson Co.* v. *U. S. Dairies Sales*, 251 F. 2d 345, 354 (CCA 7, 1958), Cert. Den. 356 U. S. 975; *Zoomar, Inc.* v. *Paillard Products, Inc.*, 258 F. 2d 527, 529 (CCA 2, 1958); *Hawley Products Co.* v. *United States Trunk Co.*, 259 F. 2d 69, 71 (CCA 1, 1958); *Consolidated Electrodynamics Corp.* v. *Midwestern, Inc.*, 260 F. 2d 811, 816, 817 (CCA 10, 1958); *Murray Co. of Texas, Inc.* v. *Continental Gin Co.*, 264 F. 2d 65, 69, 70 (CCA 5, 1959).

(4) To petitioner's knowledge, the Court of Customs and Patent Appeals did not use the *A & P* standard of invention in a single case between 1955 and the first half of 1959. Cases employing Section 103 are: *Application of Krogman*, 223 F. 2d 497, 500 (1955); *Application of Jaeger*, 241 F. 2d 723, 724 (1957); *Application of Azorlosa*, 241 F. 2d 939, 941 (1957); *Application of Schulze*, 244 F. 2d 320, 322 (1957); *Application of Agger*, 249 F. 2d 895, 897 (1957); *Application of Doran*, 251 F. 2d 848, 850 (1958); *Application of Ruff*, 256 F. 2d 590, 599 (1958); *Application of Ruscetta*, 255 F. 2d 687, 692 (1958); *Application of Spence*, 261 F. 2d 244, 246 (1958); *Application of Irmscher*, 262 F. 2d 85, 86 (1958).

APPENDIX F.

April 4, 1956.

Mr. Luke Williams
American Sign and Indicator Corp.
Exsos Sprague
Spokane 3, Washington

DEAR LUKE:

Replying to your letter of March 19, in connection with your second paragraph, you are right, partly. Our main objective is to sell our equipment in the best possible manner for the good of our company.

Our original arrangement was that we would refer all inquiries over to you where they wanted the time and temperature unit. This was based on the assumption that you had a patent or patents that would control the field. Since that understanding, it has been proven that you do not have patents that will control the field, which automatically nullifies our understanding.

At the time I was in Walla Walla, we agreed that we would continue on the past basis for a period of time to see what I. B. M. was doing. I. B. M. is getting very strong in the field. I was up in Minneapolis week before last and Naegely has bought 2 I. B. M. units. White Way has one on order and Federal is getting ready to order another one. As I have explained to you before, we are not going to let I. B. M. dominate this field. You are not in a position to stop them unless you had a patent that would control it.

As far as us obtaining business confidences that could be used to your injury, I don't know to what you refer, and if you gave away information that shouldn't have been out, you should have kept it to yourselves.

As soon as we do a little bit more engineering work we are going to announce to the sign trade that we are going to supply them the alternate time and temperature controls.

As far as your wanting to continue to buy your control equipment with us, it is satisfactory either way. If you want to, you can buy the control equipment as you have in the past or if you want to, you can buy our redesigned unit with our lift mechanism, or if you want to use your alternate source of supply, that is alright with us.

Very truly yours,

TIME-O-MATIC, INC.,
E. J. SCHUELENBURG.

EJS:mm
cc: Northwestern Agencies, Seattle.

APPENDIX G.

Plaintiffs' Exhibit No. 29.

Sign No.	Restricted Territories	Control Equipment Presently in Sign
Sign No.	Restricted Territories	Control Equipment Presently in Sign
Sign No.	Restricted Territories	Control Equipment Presently in Sign
Sign No.	Restricted Territories	Control Equipment Presently in Sign
101	Within city limits of Butte, Montana	C&T T-O-M
S&L Bank Spokane	Entire city of Spokane, Washington	C&T T-O-M RR*
102	Within city limits of Great Falls, Montana	C&T T-O-M RR*
103	Entire city of Lubbock, Texas	C&T T-O-M RR*
104	Within the city limits of Abilene, Texas	C&T T-O-M RR*
105	Entire city of Houston, Texas	C&T T-O-M RR*
106	Entire city of Waco, Texas	C&T T-O-M RR*
107	City of San Jose, California	C&T T-O-M RR*
108	All of city of Casper, Wyoming and 25 mile radius outside of city	C&T T-O-M RR*
109	Entire city of Midland, Texas	C&T T-O-M RR*
110	Entire city of San Antonio, Texas	C&T T-O-M RR*
111	City limits of Oakland	C&T T-O-M RR*
112	Within the city limits of Tacoma	C&T T-O-M RR*
113	Entire city of Seattle, Washington	C&T T-O-M RR*
114	Within city limits of Pueblo, Colorado	C&T T-O-M RR*
115	Within the city limits of Havre, Montana and a 10 mile radius surrounding city	Columbia M-1**
116	Within the city limits of Billings and a 10 mile radius outside the city limits	Columbia M-1**
117	Within the city limits of Union, N. J.	C&T T-O-M RR*
118	Territory in city of Cincinnati bounded on North by 13th St. West by Linn St. East by Eggleston Ave., and South by Ohio River	C&T T-O-M RR*
119	Within 100 miles radius of Mobile, Alabama	C&T T-O-M
120	Within the city of Syracuse, N. Y.	C&T T-O-M
121	Entire city of Austin, Texas	C&T T-O-M
122	Within the city limits of Gary, Indiana	C&T T-O-M
1	Entire city of Toledo, Ohio and within 30 mile radius of city	C&T T-O-M
124	Within city limits of Jersey City, N. J.	C&T T-O-M
125	Within the city limits of Topeka, Kansas	C&T T-O-M
126	Within the city limits of Minneapolis	C&T T-O-M
127	Within the city limits of Omaha	C&T T-O-M
128	Exclusive rights of city of Auro	C&T T-O-M
129	Within the city of Hamilton, Ohio	C&T T-O-M
130	The entire downtown or loop district or 6 blocks to the North, South, East and West of display location	C&T T-O-M
131	Devon Avenue on the North (6400 North) Central Park Avenue on the West (3900 West) Belmont Avenue on the South (3200 South) to the lake on the East; all streets to include properties on both sides	C&T T-O-M

132	Cermak Road from 4800 East to 7200 West Chicago	C&T TOM
133	Both sides of street from 2200 east, 4200 west, 1200 north and 1200 south	C&T TOM
134	Within the city of Memphis, Tenn.	C&T TOM
135	For 10 blocks in each direction from the display	C&T TOM
136	Within the city limits of St. Paul, Minn.	C&T TOM
137	Within the radius of one half mile in downtown Cleveland	C&T TOM
138	From 1200 E. to 2500 W. and 4100 N. to 8000 S. including both sides of streets	C&T TOM
139	Both sides of streets from 6200 on the West and 3200 on the East, 5000 on the North to 2700 on the South	C&T TOM
140	The entire city limits of Kansas City, Kansas	C&T TOM
141	The exclusive right of use to the Double TT Mechanism within Maricopa County, Arizona	C&T TOM
142	Within the city limits of East St. Louis, Ill.	C&T TOM
143	Fulton, Cobb, Clayton & DeKolb counties, Alabama	C&T TOM
144	The entire city of Columbus, Ga., of Muscogee County, Ga., Phoenix City, Alabama, and Russell County, Alabama	C&T TOM
145	Within the city limits of Lafayette, Indiana	C&T TOM
146	Within the city limits of Holland, Mich.	C&T TOM
147	Exclusive rights to Bibb County, Ga.	C&T TOM
148	Exclusive rights within a radius of one mile from the intersection of Post & Kearney Sts. in San Francisco, California	C&T TOM
149	Exclusive rights of the city of Grand Forks, No. Dakota	C&T TOM
151	Within the city limits of South Bend, Ind.	C&T TOM
152	The entire counties of Richmond in Georgia and Aiken in South Carolina	C&T TOM
153	Exclusive rights in Pomona, LaVerne, Upland, Claremont, Chino, Ontario and San Dimas, Cal.	C&T TOM
154	Exclusive rights in Duval County, Florida	C&T TOM
155	N. to Burnside, E. to River, S. to Montgomery and W. to 12th Ave. including both sides of the street	C&T TOM
156	Cities of San Bernardino, Colton and Rialto, and the area bounded on the North by San Bernardino Mountains, on the East by Boulder Ave., and its prolongations, on the south by Hiway 99 and on the west by Cactus Ave., and its prolongations	C&T TOM
157	Exclusive rights to city Limits of Altadena and Pasadena, California	C&T TOM
158	City of Maumee and Toledo, Ohio	C&T TOM
159	Exclusive rights of one mile radius from corner of 7th & Hill Sts. in downtown Los Angeles	C&T TOM
160	Fulton, Cobb, Clayton & DeKolb Counties in Georgia	C&T TOM
163	Exclusive rights in City of Chicago Heights, Ill.	C&T TOM
164	No restriction	C&T TOM

165	Vanderburgh County, Indiana	C&T	TOM
168 and 169	Entire city of Toledo and within 30 mile radius of city	C&T	TOM
170	Within 10 city blocks in each direction N-S-E and W of user's address	C&T	TOM
171	Exclusive rights in city limits of Ft. Lauderdale, Fla.	C&T	TOM
174	City of Port Arthur, Texas	C&T	TOM
500,1,2&3	Fulton, Cobb, Clayton and DeKolb Counties, Georgia	C&T	TOM
501	Within city limits of Ottawa, Ill.	C&T	TOM
502	Within radius of 6 miles of Oxford, Ohio	C&T	TOM
503	Within the city limits of Logansport, Ind.	C&T	TOM
504	Within city limits of Rapid City, S. Dak.	C&T	TOM
505	Within city limits of Terre Haute, Ind.	C&T	TOM
506	Within 10 blocks in each direction from bank in city of Boston, Mass.	Columbia	M-3
507	Within the city of Cheyenne, Wyoming	C&T	TOM
508	East to Kedzie Ave. West to Cicero, South to 34th St. and North to 18th St. in Chicago, Illinois	C&T	TOM
509	Within the city of Fon Du Lac, Wisconsin	C&T	TOM
510	The city limits of Knoxville and also Knox County, Tennessee	C&T	TOM
511	Within the city limits of Parsons, Kansas	C&T	TOM
512	Entire Marion County, Ohio	C&T	TOM
513	Broward County, Florida except for Broward National Bank	C&T	TOM
514	Palm Beach County Florida	C&T	TOM
515	Exclusive rights in city limits of Clermont, Florida	C&T	TOM
516	Exclusive right within El Paso County	C&T	TOM
517	Exclusive rights in Esterville, Iowa	C&T	TOM
518	One mile in each direction from Michigan National Bank	C&T	TOM
519	Exclusive rights of city limits of Burbank, California	C&T	TOM
521	No restriction	Temp. only	TOM
522	Exclusive rights of Chatham County, Ga.	C&T	TOM
525	Entire Metropolitan Area of Birmingham	C&T	TOM
528	City limits of Towe and territory of Floyd County, Ga.	C&T	TOM
530	City limits of Tampa, Florida	C&T	TOM
533	Within 10 blocks in any direction from 210 Sixth Ave., Des Moines, Iowa	C&T	TOM
534	Fulton, Cobb, Clayton, and DeKolb Counties, Ga.	C&T	TOM

C&T TOM—Clock & Therimometer Timo-Matic with relays.

C&T TOM RB*—Clock & Thermometer Timo-Matic Originally with Rocker bars later changed to relays.

Columbia M-1**—Clock & Thermometer Timo-Matic with rock bars later changed to Columbia.

Columbia M-3—Originally C&T Timo-Matic with relays later changed to Columbia M-3

APPENDIX H.

Plaintiffs' Exhibit No. 32.

WILLIAMS BROTHERS

		Net Invoice Net Invoice Net Invoice Net Invoice	
1951			
12/26	1—31-61 8100 Jump Clock 1—Thermometer Amplifier Motor Yearly Total	2,046.28	2,046.28
1952			
1/3	1—3506 Haydon Motor 12—3063 contact assembly 12—3017 contact assembly 1—3135 LH Solinoid 1—3135 RH Solinoid	77.10	

AMERICAN SIGN & INDICATOR

1952			
10/27	1—31J 61886 Clock 1—3830 Relay	453.32	
11/21	1—Clock and Amplifier and Controls	1,885.18	
12/15	1—Clock and Amplifier and Controls	1,885.18	
12/19	1—Amplifier, build and Control	1,089.00	
12/29	1—Clock and Amplifier and Controls Yearly Total	1,885.18	7,274.96
1953			
1/12	Clock and Thermometer Controls	1,885.18	
1/19	Clock and Thermometer Controls	1,885.18	
1/30	Clock and Thermometer Controls	1,885.18	
2/24	Clock and Thermometer Controls	1,885.18	
3/2	Clock and Thermometer Controls	1,885.18	
3/6	4—6R5 Powercon) 4—P & B 115 Vac 8 Amp)	136.92	
3/9	Clock and Thermometer Controls	1,885.18	
3/16	Clock and Thermometer Controls	1,885.18	
3/20	Clock and Thermometer Controls	1,885.18	
5/29	2—CD Power Cons	69.02	
6/17	2—Clock and Thermometer Controls	3,770.36	
8/28	Clock and Thermometer Controls	1,885.18	
9/8	Clock and Thermometer Controls	1,885.18	
11/5	Clock and Thermometer Controls	1,885.18	
11/16	Clock and Thermometer Controls Yearly Total	1,885.18	20,539.47
1954			
1/14	Clock and Thermometer Controls	1,885.18	
1/19	Clock and Thermometer Controls	1,885.18	
1/25	1—Jump Clock and Controls	1,526.42	
1/28	6—Powercons	169.68	
2/8	Clock and Thermometer Controls	1,885.18	
2/25	1—Jump Clock and Controls	1,526.42	
3/15	12—3506 Motors	69.51	

3 15		127—6102 Contactor	25 87	
3 25	1	Jump Clock and Contactor	437 42	
6 29	1	Jump Clock and Controls	1,526 41	
7 29	1	5982 Temperature Bulb	83 20	
7 16	1	Amp switch and bulb	426 25	
7 16	1	Jump Clock and Controls	1,526 42	
7 26	1	3500 Motor	59 56	
8 2	127	6102 Contactor	22 39	
8 9	1	Jump Clock and Controls	1,526 42	
8 26	2	Clock and Thermometer Controls	3,770 36	
8 28	2	685 Powercons	61 57	
10 5	1	Jump Clock and Controls	1,526 42	
10 25	2	Jump Clocks and Controls	3,052 84	
11 3	1	3-6183	22 95	
11 19	2	Jump Clocks, Amplifier and Controls	3,167 59	
11 22	30	Pr.—35 amp Contacts		
	30	Pr. Contacts	71 16	
12 11	1	3-6183	91 89	
12 13	2	Jump Clocks and Controls	3,052 84	
		Yearly Total		29,389 04
1955				
1 10	2	Jump Clock, Amplifier and Controls	3,052 84	
1 31	2	Jump Clock, Amplifier and Controls	3,052 84	
2 24	2	Jump Clock, Amplifier and Controls	3,052 84	
2 28	50	Pr. Contacts	41 01	
3 8	2	Jump Clock, Amplifier and Controls	3,190 53	
4 4	2	Jump Clock, Amplifier and Controls	3,052 84	
4 14	1	Jump Clock, Amplifier and Controls	1,526 42	
4 25	1	Jump Clock, Amplifier and Controls	1,526 42	
4 25	10	3500 Motors and Controls	109 87	
5 9	2	Jump Clock, Amplifier and Controls	3,052 84	
5 31	2	Jump Clock, Amplifier and Controls	3,052 84	
5 31	2	#35 Dial Thermometers	600 00	
6 13	2	Jump Clock, Amplifier and Controls	3,052 84	
6 23	1	Jump Clock, Amplifier and Controls	1,695 18	
6 23	1	Jump Clock, Amplifier and Controls	1,695 18	
7 12	1	Rodine Motor		
	1	4574 Slidewire	65 76	
8 5	1	Jump Clock, Amplifier and Controls	1,695 18	
8 8	1	Jump Clock, Amplifier	1,578 06	
8 11	1	Jump Clock, Amplifier and Controls	1,695 18	
8 11	1	Jump Clock, Amplifier and Controls	1,695 18	
8 15	15	3500 Motors and Contacts	223 28	
8 22	1	Jump Clock, Amplifier and Controls	1,695 18	
9 1	1	Jump Clock and Thermometer	1,578 06	
9 6	1	Jump Clock and Thermometer	1,578 06	
9 12	35	61K1 Dial Thermometer	2,300 00	
9 20	Repair 35J Amp		66 15	
9 20	2	Clock and Thermometer Controls	3,330 36	
9 23	10	3-6182	171 60	
10 3	1	Jump Clock and Thermometer	1,695 18	
10 7	Contacts		26 88	
10 7	1	40HX Clock and Thermometer	1,578 06	
10 14	20	3-6182	343 20	
10 17	20	Motor and Contacts	224 63	
10 24	11HX	Clock and Thermometer	1,578 06	
10 24	11HX	Clock only	390 06	
10 24	2	35-61K1 Thermometer	600 00	
10 28	1	40HX Clock	390 06	
10 28	1	40HX Clock	390 06	
10 28	1	Thermometer Mechanism	1,188 00	
11 4		Thermometer Mechanism	1,188 00	
11 4		Thermometer Mechanism	1,188 00	

11/4	Jump Clock and Thermometer 61863	1,578.06	
11/7	Jump Clock and Thermometer 61863	1,578.06	
11/7	Jump Clock and Thermometer 61863	1,578.06	
11/7	Jump Clock and Thermometer 61863	1,578.06	
11/10	Jump Clock and Thermometer 61887	1,665.18	
11/14	3—Jump Clock and Thermometer 61887	4,995.54	
11/17	1—Jump Clock and Thermometer 61863	1,578.06	
11/17	1—Jump Clock and Thermometer 61887	1,665.18	
11/21	1—Jump Clock and Thermometer 61863	1,578.06	
11/21	1—Jump Clock and Thermometer 61863	1,578.06	
11/21	1—Jump Clock and Thermometer 61863	1,578.06	
11/25	1—Jump Clock and Thermometer 61863	1,578.06	
11/28	1—Jump Clock and Thermometer 61863	1,578.06	
12/20	1—Jump Clock and Thermometer 61887	1,665.18	
12/20	1—Jump Clock and Thermometer 61887	1,665.18	
12/27	1—Jump Clock and Thermometer 61863	1,578.06	
12/27	1—Jump Clock and Thermometer 61863	1,578.06	
12/27	1—Jump Clock and Thermometer 61863	1,578.06	
	Yearly Total		90,167.77
1956			
1/4	1—60HX Thermometer	1,188.00	
1/4	1—Clock and Thermometer 61863	1,578.06	
1/4	1—Clock and Thermometer 61863	1,578.06	
1/4	1—Clock and Thermometer 61887	1,665.18	
1/4	1—Clock and Thermometer 61863	1,578.06	
1/4	20—6182 and 1—4-6185	409.29	
1/4	100—5830 Mot. Cont. 2005831 St. Cont.	301.87	
1/9	1—6903 Amplifier	107.02	
1/9	1—Clock and Thermometer 61863	1,578.06	
1/9	1—Clock and Thermometer 61887	1,665.18	
1/10	1—Clock and Thermometer 61863	1,578.06	
1/19	1—Clock and Thermometer 61863	1,578.06	
1/19	1—Clock and Thermometer 61863	1,578.06	
1/19	1—Clock and Thermometer 61863	1,578.06	
1/24	3—6903 Amplifier	317.76	
1/27	1—Clock and Thermometer 61863	1,578.06	
1/27	1—Clock and Thermometer 61863	1,578.06	
2/24	Exchange 3—C & T 61887	2,497.77	
	Yearly Total		23,[illegible]
	Grand Total		$179,419.1[illegible]

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1959.

No. 380

AMERICAN SIGN AND INDICATOR CORPORATION,
Petitioner,

vs.

EDWARD J. SCHULENBURG, EDWARD J. SCHULENBURG, JR., HELEN E. SCHULENBURG AND MARIE V. POTTEBAUM, DOING BUSINESS AS TIME-O-MATIC COMPANY AND TIME-O-MATIC, INC.,
Respondents.

TIME-O-MATIC, INC.,
Respondent,

vs.

AMERICAN SIGN AND INDICATOR CORPORATION,
Petitioner.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

BRIEF FOR RESPONDENTS IN OPPOSITION.

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THE GUNTHORP-WARREN PRINTING COMPANY, CHICAGO

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ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

BRIEF FOR RESPONDENTS IN OPPOSITION.

Respondents, Time-O-Matic, Inc., and Time-O-Matic Company, oppose the petition herein for a writ of certiorari for the reasons hereinafter stated.

OPINIONS BELOW.

In addition to the opinion of the District Court at 167 Fed. Supp. 20 (American Appendix, p. 226) and the opinion of the Court of Appeals at 267 F. 2d 388 (Petition, p. 21), the District Court's findings of fact and conclusions of law appear at pages 245 to 269 of American's Appendix.

JURISDICTION.

The jurisdictional requisites are adequately set forth in the Petition.

QUESTIONS PRESENTED.

The questions presented at pages 2 and 3 of the petition are not within the purview of Rule 19 of this Court. They do not have to do with matters that are so special or important as to compel decision by this Court.

Further, those questions are *academic* in relation to the decision of the Court of Appeals, and they are spurious and concocted questions which are not in accord with the actual facts and which erroneously attribute to the Court of Appeals holdings that the Court did *not* make.

Briefly, as to Questions 1 and 2, the Court of Appeals did *not* hold that the photostat of the sign design, attached to the copyright application and deposited in the Copyright Office more than one year prior to the filing date of the patent, was "a statutory bar invalidating the patent" (question 1) or did "so disclose Claim 1 of the patent in suit as to operate as a statutory bar" (question 2). The patent in suit was held invalid upon prior art and for reasons other than the photostat and copyright registration.

Question 3 was not presented to the Court of Appeals and it constitutes a belated and spurious attempt to raise an issue of alleged confusion among the courts where no confusion exists.

As to question 4, the Court of Appeals did *not* hold that "obligations" or "relief against alleged wrong doing" in a supplier-customer relationship can not arise or be granted "unless a trade secret is involved in the relationship". Specific facts were here involved and the District Court and the Court of Appeals correctly ruled thereon.

STATUTES INVOLVED.

The statutes referred to at page 3 of the petition are properly quoted at pages 34 and 35 of the petition.

STATEMENT OF THE CASE.

Respondents in no way adopt or acquiesce in the alleged statement of the case appearing at pages 3 to 8 of the petition, for it is replete with misstatements of fact and unfounded and erroneous assertions and arguments in an attempt to paint a picture which is contrary to the actual facts. For a true statement of the facts and a true understanding of this case, reference is made to the findings of fact and conclusions of law of the District Court (American Appendix, pp. 245-269), the District Court's opinion (American Appendix, pp. 226-244), and the opinion of the Court of Appeals (Petition, pp. 21-33).

ARGUMENT.

The present case is an ordinary one involving such conventional issues at patent validity of a particular patent, and whether there was any contract or agreement between the litigants or any confidential relationship between them.

After a trial of a full week and a thorough consideration of numerous exhibits, extensive briefs and oral arguments, the District Court specifically found the pertinent facts and properly decided the issues thereon. The Court of Appeals, aided by extensive briefs and oral argument and following a thorough study of the matters here involved, completely affirmed the District Court on all points. These concurring decisions, which are sound in fact and in law, should not be reviewed by this Court.

These concurring decisions of the District Court and of the Court of Appeals turned upon the particular facts of this case and they will affect few others, if any, than the litigants. There is nothing of public interest or of special import here decided that would warrant review by this Court. There is no conflict of decision and there is nothing presented in the petition which would require review.

Even if the improper alleged questions, presented in the petition, were reviewed, which they should not be, and were decided favorably to petitioner, which they should not be, the outcome of the instant litigation would in no way be altered. The copyright matter of questions 1 and 2 has no effect upon the invalidity holding of the patent in suit or on the non-existent alleged confidential relationship between the litigants. Whether one or the other of the allegedly different "standards" of patentable invention, specified in question 3, is applicable is of no importance.

because the particular patent in suit was held invalid in view of *both* "standards". Question 4 has to do with the particular facts here involved and it cannot change the facts as found by the District Court.

For the foregoing reasons alone the petition for the writ should be denied. However, we proceed with a discussion of the various alleged questions.

Question 1.

The question is *academic* in relation to the decision of the Court of Appeals, entirely apart from petitioner's misstatement, not only in the question itself but throughout its argument as well, that the copyright registration was held by the Court of Appeals to be a "statutory bar invalidating the patent" and that "All three grounds for invalidation are predicated upon a finding that the copyright was a printed publication * * *."

The *facts* are, as is self-evident upon the face of the decision of the Court of Appeals, that *entirely independently* of the copyright situation, the Court of Appeals held the patent in suit invalid on two mutually separate and distinct grounds, namely:

> A. For want of patentable invention over the pertinent prior art presented at the trial (including that in the form of respondents' control equipment previously on the market, which was more like the patent in suit than the prior art cited by the Patent Examiner), because all of the elements of the claims of the patent in suit were old in the art in structure, function and results produced (Petition, p. 31) and the assembly of the elements of such pertinent prior art control equipment into the claimed collocation of elements of the patent was uninventive. This was because "the functions performed by the assembly of those elements were merely the sum total of the old function of the individual elements with no unusual or unexpected

results," citing this Court's decision in *Great Atlantic & Pacific Tea Company* v. *Supermarket Equipment Co.*, 340 U. S. 147, 151, 95 L. Ed. 162 (1950), (Petition p. 31-32); or, as more broadly stated in the language of 35 U. S. C. 103, because "the claimed subject matter, was obvious at the time of the alleged invention to one ordinarily skilled in the art to which the claimed subject matter pertained" (Petition, p. 32). In this the Court of Appeals affirmed the District Court.

B. Because the Williams brothers were not the inventors of the claimed subject matter of the patent in suit (Petition, p. 32). *This was in affirmation of* the District Court's decision that the claimed subject matter of the patent in suit, comprising the control equipment and the manner of connecting it to the lamp bank, had been designed and developed and engineered by *respondents*, and that the Williams brothers did not work out or disclose to respondents the claimed subject matter of the patent (Finding 63—American Appendix 267).

That petitioner fully understood that these were grounds for invalidity wholly apart from and independent of any consideration whatever as to the copyright is clear.

As to Ground A, in its main brief, before the Court of Appeals, at page 64, in discussing the issue "Is the PATENT valid over the prior art?" petitioner stated:

> "The trial judge invalidated the Patent on the ground that it was a mere aggregation of TOM equipment, Pl. App. 241."

As to Ground B, in its petition for rehearing to the Court of Appeals, petitioner itself at pages 5-6 distinguished the copyright situation from the "invalidation on wrong inventorship" in the following words:

> "While the copyright might invalidate these claims as being a printed publication more than one year before the filing of the Patent, *it does not affect the inventorship.*" (Emphasis ours.)

Petitioner's erroneous representations to this Court as to the role played by the copyright matter in the decision by the Court of Appeals as to the grounds for the invalidity of the patent require no further comment.

Petitioner contended below that the invention of the patent in suit was in the idea of alternately displaying two pieces of information (time and temperature) on a single bank of lamps, but the Court of Appeals, in affirming the District Court, correctly decided (Petition, p. 31) that "*the patent* is not based on the general design or idea of alternate display of time and temperature on a single bank of lamps, but is limited to use of the particular control equipment described and claimed to produce the end result", and that (independently of the copyright) "the idea of displaying alternately illuminated characters was old in the art" (Petition, p. 32). *In addition*, to distinguish the general design or idea from the actual claimed subject matter of the patent, and to further demonstrate that the general design or idea could not be patented, as distinguished from the claimed subject matter, the Court of Appeals also properly held (Petition, p. 32) that "The design of the sign had been made open for public inspection by the copyright registration more than one year prior to filing the patent application 35 U. S. C. A. Sec. 102 (b)."

It is apparent in the light of the above facts that a decision by this Court on petitioner's first question would be dispositive of nothing since, regardless of its ruling on the copyright as a publication, it would still leave the patent invalid on the two grounds A and B pointed out above which, as stated, are wholly independent of the copyright matter. This is enough to dispose of the first question. It is unnecessary, therefore, to say more although it may be stated that the Court of Appeals, under established principles, properly held that the copyright registration taken out more than one year prior to the filing of the

patent application opened up the subject matter of said copyright, to the extent of its contents, as a printed publication.

Question 2.

This question, too, is *academic* because the Court of Appeals did *not* hold that the showing (in the copyright) disclosed "Claim 1 of the patent in suit as to operate as a statutory bar, within the meaning of 35 U. S. C. 102 (b) * * * ."

The facts set forth above in the discussion under Question 1 constitute a complete answer to petitioner's second question.

Question 3.

This question constitutes a spurious attempt to raise an issue of alleged confusion among the courts as to whether the "standard of patentable invention" is that set up in *Great Atlantic & Pacific Tea Company* v. *Supermarket Equipment Co.*, 340 U. S. 147, 95 L. Ed. 162 (1950) (hereafter called the *A & P* case), *or* that of 35 U. S. C. Sec. 103, *or* both.

Before discussing this third question, it is to be noted that this is the *first time* that this "question" has been raised in this litigation. The District Court held the patent invalid under 35 U. S. C. 103 in that the claimed subject matter would have been obvious to any person having ordinary skill in the art; and, *in addition*, it cited and relied upon the *A & P* case, holding, squarely in accord with this Court's ruling in that case, that the functions performed by the assembly of those elements were merely the sum total of the old function of the individual elements found in the prior art with no unusual or unexpected result.

On its appeal to the Court of Appeals, petitioner pre-

sented no question whatever as to whether the "standard of patentable invention" was to be measured by the principles enunciated by this Court in the *A & P* case, *or* by 35 U. S. C. Sec. 103, *or* both. Neither did it do so in its petition for rehearing before the Court of Appeals.

The above facts are, in themselves, sufficient to warrant summary denial of the petition to this Court on this third question.

The Court of Appeals, as is apparent on the face of its decision, in affirming the District Court's decision on invalidity of the patent over the prior art, stated that "the claimed subject matter was obvious at the time of the alleged invention to one ordinarily skilled in the art to which the claimed subject matter pertained" which is a substantial paraphrasing of 35 U. S. C. Sec. 103, as petitioner admits.

It *also* stated that the elements making up the claimed subject matter of the patent in suit, which it found to be in the prior art presented at the trial, particularly that prior art dealing with respondent's prior control equipment which was on the market, were all old in the art in structure, function and results produced, and that the functions performed by the assembly of those elements were merely the sum total of the old functions of the individual elements with no unusual or unexpected result, and that this was not patentable invention, citing the *A & P* case. This is but another way of stating what is in 35 U. S. C. Sec. 103, to wit, that the differences between the subject matter sought to be patented and the prior art were such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains, and that a patent may not be obtained therefor. Manifestly, the *same* "standard of patentable invention" is applied in 35 U. S. C. Sec. 103 and in the *A & P* case.

the latter involving one type of fact situation whose facet falls within the principle of Sec. 103 as to obviousness at the time that the invention was made to a person having ordinary skill in the art to which the subject matter pertains.

The situation is clear that 35 U. S. C. Sec. 103 is the statutory basis involving the matter of "standard of patentable invention." The Court of Appeals, on the specific facts before it, decided that the patent is invalid under such statute, as petitioner itself admits. This, in itself, also is dispositive of petitioner's third question. The Court of Appeals had the right, obviously, to cite and rely upon the *A & P* case, as have numerous other Courts not only with respect to the *A & P* case but also with respect to various other cases of this Court whose decisional law had been embodied or codified into Sec. 103.

Section 103 of 35 U. S. C. simply codified the decisional law previously enunciated by this Court not only in the *A & P.* case but in a host of other cases going back as far as *Atlantic Works* v. *Brady*, 107 U. S. 192, 27 L. Ed. 438, and even further back to *Hotchkiss* v. *Greenwood*, 11 Howard 248, 267, 13 L. Ed. 683, 691. The Courts of Appeals have so held time and time again. *Stanley Works* v. *Rockwell Mfg. Co.*, 203 F. 2d 846, 849 (C. C. A. 3, 1953) Cert. Den. 346 U. S. 818; *General Motors Corp. et al.* v. *Estate Stove Co. et al.*, 203 F. 2d 912, 915, 918 (C. C. A. 6, 1953) Cert. Den. 346 U. S. 822; *Wasserman* v. *Burgess & Blacher Co.*, 217 F. 2d 402, 404 (C. C. A. 1, 1954); *Vincent et al.* v. *Sun-Citrus Products Co.*, 215 F. 2d 305, 315, 316 (C. C. A. 5, 1954).

Apart from the obvious unsoundness of petitioner's position as to the question here under discussion, it should again be noted, as pointed out above, that the patent was also held invalid because the Williams brothers were not

the inventors of the claimed subject matter. Hence, again, the situation is academic as to its being dispositive of the case as decided by the Court of Appeals.

Question 4.

As to its question 4, petitioner attributes to the Court of Appeals a holding that the Court did *not* make, namely, that alleged "obligations" in a supplier-customer relationship can "only arise if there is a trade secret."

The question, simply stated, is that the specific *facts* as found by the District Court, after a trial lasting one full week in which various witnesses were heard, and a full consideration of several depositions and numerous exhibits, demonstrated beyond any doubt that there was no contract, express or implied, between respondent and petitioner, and there was no confidential relationship between them. This was fundamentally a fact question and the facts as found by the District Court established complete support for the ruling of the District Court which the Court of Appeals affirmed.

Petitioner would convert this into a legal question, "an important state question of equity law in conflict with applicable decisions of Illinois courts." The District Court applied the law of the State of Illinois to the specific facts found by it, which petitioner admits should have been done. Petitioner relied upon the Illinois case of *Jones* v. *Ulrich*, 342 Ill. App. 16 which the District Court fully considered and which it held distinguishable on its facts (American Appendix, p. 238). It also considered numerous other cases which were cited by the parties. Petitioner would have this Court review the detailed facts in the present case and go through precisely the same detailed ground fully and carefully considered by both the District Court and the Court of Appeals. That is not the function

of this Court. *General Talking Pictures Corporation* v. *Western Electric Company*, 304 U. S. 175, 178, 179, 82 L. Ed. 1273, 1275 (1938). We see no need, therefore, to discuss Petitioner's alleged comparison of the facts in the present case and those in *Jones* v. *Ulrich*, other than to note that the statement of facts in both cases is incomplete, in part erroneous, and conveniently fails to point out the actual sharp differentiations between the facts of the present case and those in the cited case. "Where the lower federal courts are applying local law, this Court will not set aside their ruling except on a plain showing of error." *Palmer* v. *Hoffman*, 318 U. S. 109, 118, 87 L. Ed. 645, 652 (1943). Not only is there no "plain showing of error" in the ruling of the District Court and the Court of Appeals but, in fact, their rulings, on the specific facts as found, were completely supported by the applicable local law.

In General.

Under all of the present circumstances, it is unnecessary to burden this Court with any discussion concerning the numerous unfounded and erroneous assertions made in the petition. It may be stated that it fails to furnish this Court with a correct statement of the facts; it is replete with misstatements of fact; it criticizes the District Court for not making various additional findings (The facts are that there is nothing in the extensive record which contains any support for such criticized non-findings, and this is over and above the fact that the law is thoroughly settled that the District Court is under no burden to make findings beyond what it deems are necessary to a proper disposition of the issues before it, *Kelley* v. *Everglades Drainage Dist.*, 319 U. S. 415, 421, 87 L. Ed. 1485, 1489 (1943)). The District Court's findings were, in fact, more extensive and formed a thorough support for its ultimate conclusions;

and it attributes non-existing findings to the District Court and reads into the decision of the Court of Appeals what the Court did not say.

Petitioner's entire approach is a backhanded attempt to persuade this Court to grant the writ so that petitioner can attempt to argue the merits of the entire case. The pertinent facts were found in detail by the District Court after a trial lasting a full week and after considering extensive briefs and extensive oral argument. Both the District Court and the Court of Appeals were most generous in their giving petitioner full opportunity to attempt to prove that it had a case. Some 85 exhibits were received in evidence, many of which were multiple exhibits, petitioner's Exhibit 21 in itself containing over 460 pages of correspondence between the litigants. Petitioner's briefs before the District Court contained about 200 pages. It was allowed almost 5 hours of oral argument by the District Court after the submission of its briefs, and it submitted extensive proposed Findings of Fact and Conclusions of Law along with its briefs. In the Court of Appeals, it submitted briefs of maximum length and had full oral argument.

The plain and simple fact is that it is attempting, by erroneous representations and misrepresentations, through the medium of alleged but non-existent "conflicts" as to the law, to persuade this Court to grant the writ and thereby, in effect, have this Court review the entire factual picture *de novo*. That, we respectfully reiterate, is not the function of this Court. *Universal Oil Products Co.* v. *Globe Oil & Refining Co.*, 322 U. S. 471, 473, 88 L. Ed. 1399, 1401 (1944), and *General Talking Pictures Corporation* v. *Western Electric Company, supra.*

CONCLUSION.

It is, accordingly, respectfully submitted that the petition for the writ should be denied.

Respectfully submitted,

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PETITIONER'S REPLY BRIEF.

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PETITIONER'S REPLY BRIEF.

Respondents present no reason for denying the Petition.

Questions 1 and 2.

Respondents' Brief, pages 5-8, does not deny that both the trial court and the Court of Appeals did not follow the applicable decisions of this Court in holding the copyright

of an unpublished work a statutory bar, and secondly, Pl. Ex. 24, Pet. 39, a disclosure of the invention. Instead, respondents contend that had the courts below applied this Court's decisions and found the copyright no statutory bar, they would still have reached the same result as to validity. Petitioner does not know how. There is nothing in this record which shows the combination of a time unit and a thermometer unit whose outputs are alternately connected to a single lamp bank, unless disclosed by the copyrighted photostat, Pl. Ex. 24. Both the trial court and the Court of Appeals not only held the copyright a statutory bar, but discussed the statutory bar in conjunction with prior art showing cams, spring contacts and lifter bars, the Court of Appeals using the words "claimed subject matter". Both courts felt that they must have something that showed the only patentable combination; otherwise, why does each court state that the copyright is a statutory bar, Amer. App. 240, Pet. 32, and why does Finding 55, Amer. App. 266, so state?

Question 3.

Respondents' Brief does not deny that the United States courts of appeal are applying two different tests of patentability. Instead, respondents say that the Court of Appeals for the Seventh Circuit applied both. This is no answer because it creates the confusion which causes courts to overlook the real evidence. The petitioner introduced the only good evidence as to what is obvious to a man having ordinary skill in the sign art under 35 U. S. C. Sec. 103. How can petitioner's attorney present better evidence as to obviousness than forcing the respondent Edward J. Schulenburg, a sign maker supplier, to admit that when the sign was first disclosed to him in 1951, he did not think it was very good, and then force him to admit on cross-examination six years later that the sign was

"outstanding" and that he could think of no other sign comparable to it in the last ten years. This evidence was considered unimportant because neither court below applied solely the test of 35 U. S. C., Sec. 103. At the hearing in the Court of Appeals, this testimony of Schulenburg was read in response to a question.

Question 4.

Respondents do not deny that both courts below decided the confidential relationship portion of Count I on a 1921 Illinois Supreme Court decision which says that a confidential relationship can arise only where there is a trade secret, *Victor Chemical Co.* v. *Iliff*, 299 Ill. 532, 548 (1921). Instead, respondents say that petitioner seeks to try the whole case again, and the trial judge was right anyway in distinguishing the much more recent Illinois Appellate decision of *Jones* v. *Ulrich*, 432 Ill. App. 16 (1950). Petitioner does want to know why the charging paragraphs 34 to 43 of the Amended Complaint, Amer. App. 27-30 and 58, were not adjudicated.

Respectfully submitted,

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